

**JAMES & TATTON**  
for  
**STEEL**

100, 150, 200, 250, 300, 350, 400, 450, 500, 550, 600, 650, 700, 750, 800, 850, 900, 950, 1000, 1050, 1100, 1150, 1200, 1250, 1300, 1350, 1400, 1450, 1500, 1550, 1600, 1650, 1700, 1750, 1800, 1850, 1900, 1950, 2000, 2050, 2100, 2150, 2200, 2250, 2300, 2350, 2400, 2450, 2500, 2550, 2600, 2650, 2700, 2750, 2800, 2850, 2900, 2950, 3000, 3050, 3100, 3150, 3200, 3250, 3300, 3350, 3400, 3450, 3500, 3550, 3600, 3650, 3700, 3750, 3800, 3850, 3900, 3950, 4000, 4050, 4100, 4150, 4200, 4250, 4300, 4350, 4400, 4450, 4500, 4550, 4600, 4650, 4700, 4750, 4800, 4850, 4900, 4950, 5000, 5050, 5100, 5150, 5200, 5250, 5300, 5350, 5400, 5450, 5500, 5550, 5600, 5650, 5700, 5750, 5800, 5850, 5900, 5950, 6000, 6050, 6100, 6150, 6200, 6250, 6300, 6350, 6400, 6450, 6500, 6550, 6600, 6650, 6700, 6750, 6800, 6850, 6900, 6950, 7000, 7050, 7100, 7150, 7200, 7250, 7300, 7350, 7400, 7450, 7500, 7550, 7600, 7650, 7700, 7750, 7800, 7850, 7900, 7950, 8000, 8050, 8100, 8150, 8200, 8250, 8300, 8350, 8400, 8450, 8500, 8550, 8600, 8650, 8700, 8750, 8800, 8850, 8900, 8950, 9000, 9050, 9100, 9150, 9200, 9250, 9300, 9350, 9400, 9450, 9500, 9550, 9600, 9650, 9700, 9750, 9800, 9850, 9900, 9950, 10000

UNIVERSITY OF JORDAN LIBRARY

# FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 27,893

Tuesday June 19 1979

\*\*15p

**VAUGHAN ASSOCIATES LIMITED**

For Your More Important Machine Tools

VAUGHAN ASSOCIATES LTD. MACHINE TOOL SPECIALISTS  
Vaughan House, 4 Dimes St., Cannon St., London, W.1. Tel: 01-499 8332

CONTINENTAL BELLING PRICES: AUSTRIA Sch 16; BELGIUM Fr 20; DENMARK Kr 3.5; FRANCE Fr 3.5; GERMANY DM 2.0; ITALY L 600; NETHERLANDS Fl 2.0; NORWAY Kr 3.5; PORTUGAL Esc 20; SPAIN Ptas 50; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; ERE 20h

## NEWS SUMMARY

GENERAL BUSINESS

### UK in boat people initiative

The Prime Minister has sent a further message to Dr. Kurt Waldheim, UN Secretary-General, calling for an international conference to resolve the increasingly desperate plight of the Vietnamese "boat people."

Foreign Secretary Lord Carrington is to visit Hong Kong and Malaysia for talks on the boat people at the end of the Tokyo Economic Summit next week.

Tba Commons was told that Mrs. Thatcher had also sent a message to the Malaysian Premier, Datuk Hussein Onn, who said yesterday that measures to prevent a further influx of boat people did not include shooting them. Page 6; Parliament, Page 12

### Equities up 4.4; Nickel price falls

**EQUITIES** improved although there was little genuine investment demand, and the FT Ordinary share index closed 4.4 up at 482.9. Renewed U.S. and Continental buying pushed the Gold Mines index up 7.2 to 186.2.

**GILTS** rallied in light trading and the Government Securities Index rose 0.26 to 70.50.

**STERLING** fell 3 points to close at \$2.1062, and its trade-weighted index improved to 68.3 (68.2). Dollar was unchanged at \$6.4.

**GOLD** fell \$2 an ounce to close at \$273 1/2 in London and in New York the Comex June settlement price was \$278.10 (\$279.80).

**NICKEL** fell with three-month nickel down \$180 to close at \$2,370 a tonne as Le Nickel

### Scott a crook says judge

Former male model Norman Scott was a crook, said Mr. Justice Canby, summing up at the Jeremy Thorpe trial at the Old Bailey. "He is a fraud. He is a sponger. He is a whiner. He is a parasite. But, of course, he could still be telling the truth. It is a question of belief."

Thorpe, former Liberal leader, and three other men have pleaded not guilty to conspiring to murder Scott.

### Shadow posts

The Opposition's senior front bench appointments were completed with the announcement of five shadow spokesmen—Neil Kinnock (education and science), Bruce Millan (Scotland), Dame Judith Hart (overseas aid), Alec Jones (Wales) and Brynnoir John (Northern Ireland). Page 12

### Khomeini plan

Ayatollah Khomeini is pressing ahead with the draft constitution for Iran drawn up by his aides despite the considerable criticism the proposals have drawn protests from minority leaders and Tehran intellectuals. Page 6

### Corfu drownings

A 52-year-old Welwyn woman and her three-year-old granddaughter drowned when their pedal boat capsized off Corfu. The child's mother, Susan Sherman, aged 22, who was rescued, was on holiday to recover from the death of her husband and father and sister in the past six months.

### Unity agreement

Syrian and Iraqi leaders appeared to have reached general agreement on uniting the two countries after three days of talks in Baghdad. Page 6

### Troops in Beirut

Lebanese regular troops took up positions in two suburbs of Beirut which have been closed to them for four years. More than 1,000 troops were involved in the operation, carried out with help from Syrian troops of the Arab deterrent force. Page 6

### Over the wall

In a classic jailbreak, cellmates David Walker and Frank Melling escaped from Walton Jail, Liverpool by sawing through their bars with a hacksaw and using a rope made from sheets and an improvised grappling hook to reach the yard and to scale the outside wall. Both men are from the Midlands.

### Briefly

Sir Peter Venables, one of the creators of the Open University, died at his home in Birmingham aged 74.

Henry Moore, 80-year-old sculptor, is to give works worth £2m to the city of Leeds where he was at art college.

## Arms limit treaty signed 'to defend the right to live'

BY JUREK MARTIN, PAUL LENDVAI AND DAVID SATTER, IN VIENNA

PRESIDENT Leonid Brezhnev and President Jimmy Carter yesterday formally signed the second Soviet-American strategic arms limitation agreement in the historic Hofburg Palace in Vienna, cementing their pact with a Russian bear hug and kiss.

Both heads of state, in their brief speeches, portrayed the SALT II treaty as a step in the direction of greater control over nuclear weapons.

Mr. Brezhnev, speaking gruffly but clearly, said that, in signing the treaty, "We are helping to defend the most sacred right of every man—the right to live."

Mr. Carter, with an eye on the critical forthcoming debate over ratification of SALT II in the U.S. Senate, said that he would never do anything to violate his responsibility for American security. But he added: "Here today, as we set very careful limits on our power, we draw boundaries around our fears of one another. As we begin to control our fears, we can better ensure our future."

It was the Soviet President who appeared to initiate the embrace of his American counterpart, a spontaneous gesture and certainly the first of its kind in public from him during the four-day summit.

Again, Mr. Brezhnev sometimes looked tired and confused during the formal ceremonies, and was obliged to summon an aide for a whispered translation of Mr. Carter's speech, presumably because he could not make out the official version blaring over the loudspeaker.

The rather bland communiqué issued after the two leaders had left Vienna for home, and subsequent briefings by U.S. officials, seemed to indicate that the summit had, as planned, been devoid of surprise—though, it was emphasised here, no less valuable because of that.

While the two leaders did manage to put the seal on the SALT agreement, there was no suggestion that other political



SEALED WITH A KISS: Mr. Brezhnev and Mr. Carter after the signing.

## Major reforms proposed for Commons committees

BY ELINOR GOODMAN, LOBBY STAFF

SWEEPING proposals to reform Parliamentary select committees by transforming them into permanent watchdogs over Whitehall and the Executive with full-time staff were published yesterday by the Government.

The proposals were welcomed last night by backbench MPs on both sides of the House and seem likely to be approved in some form when they are debated on Monday. This would mean that the existing line-up of select committees, dealing with particular subjects, such as expenditure, would be replaced by the subcommittee system of backbench scrutiny.

Mr. Michael Foot, former Leader of the House, was hostile to some of the proposed changes, so it has been left to the Tories to take them up. They are to take them up, many backbenchers who insist that some change must be made if Whitehall is to be stopped from railroading MPs. Some amendments may, however, be put down to the precise wording of the Government's motion, which would still vest considerable powers in the party whips.

The Government has basically accepted all the procedure committee's main recommendations, but disagrees about the powers of the new committees to demand evidence.

The procedure committee wanted the new permanent watchdogs to have the power to compel Ministers to appear before them. Some backbenchers have taken the view that such compulsory powers would be going too far and that by co-operating with the new committees it will be able to set a precedent which will make it difficult for subsequent administrations to withhold information. Some backbenchers are likely to be disappointed with this aspect of the Government motion.

## European DC-10s may fly today

By John Wick in Zurich and Lynton McLain in London

THE REVISED maintenance plans which may lead to a resumption of DC-10 flights in Europe were agreed yesterday in Zurich by Europe's main civil aviation authorities. Some flights could start again today.

Representatives of the authorities said after the meeting of the European Civil Aviation Conference: "There is now no reason why European DC-10 aircraft should stay grounded."

The officials intend to advise their governments and national airworthiness Boards that new airworthiness certificates be issued.

Last night the Swiss Federal Air Office rescinded, with immediate effect, its grounding order on DC-10s registered in Switzerland.

But the U.S. Federal Aviation Authority, which grounded the aircraft nearly two weeks ago, said its position was unchanged. Mr. Quentin Taylor, deputy administrator of the FAA, said in Zurich: "We will continue with our own investigations until we have enough evidence to make our own decisions on the matter."

European airlines, however, were optimistic last night that DC-10 flights would resume this week.

British Caledonian Airways also welcomed the move by the Zurich conference. "We plan to resume DC-10 services as soon as possible after the UK Civil Aviation Authority gives the go-ahead."

The maintenance review board of the conference agreed to the revised "comprehensive inspection" and maintenance programme for European DC-10s after proposals were drafted by Swissair, Alitalia and British Caledonian Airways.

This provided the acceptable technical base for the restoration of the airworthiness certificates, the board said.

Before flights of European registered DC-10s can resume, the national civil aviation authorities have to approve the changes in the maintenance procedures and this could take up to a week in some cases.

The Civil Aviation Authority said it would await the return of its officials before making a statement. The authority has a duty then to consult the Airworthiness Requirements Board, which has the power to veto a relaxation.

If the board accepts a recommendation from the CAA that the airworthiness certificates should be restored, the move would apply to all UK registered DC-10s.

## Saudis 'to raise output'

Saudi Arabia may raise its oil output temporarily by 100,000 barrels a day from July 1, reports the Middle East Economic Survey. But Iran's output is said to have fallen below its normal level by a similar amount, according to the London Oil Reports. Both reports appear a week before the Organisation of Petroleum Exporting Countries is due to meet in Geneva. Details, Back Page

## Check on oil deals sought

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT IN LUXEMBOURG

THE EEC plans to propose at next week's western economic summit in Tokyo that oil companies be required to register officially all their international transactions, in an attempt to curb the growth of speculative trading. The scheme would cover not only the spot market, but also crude deliveries between oil companies within the EEC and with third countries.

The proposal was agreed upon in outline by EEC energy ministers here yesterday. It is expected to be formalised by leaders of Common Market governments at their meeting in Strasbourg at the end of this week.

But both Britain and Germany are insisting that to be effective the plan must be put into effect on a world-wide basis. They have said that they will give their final approval only if the U.S. and Japan agree in Tokyo to associate themselves with it.

There was little support among ministers yesterday for French proposals to set firm limits on the EEC's global imports of crude and to prohibit imports of oil purchased on the spot market at excessively high prices.

But President Giscard d'Estaing is expected to continue to press at the Strasbourg meeting for agreement on a broader programme of energy measures which the EEC could present to its major partners in Tokyo next week.

A number of other governments believe that the French proposals to set firm limits would be difficult to administer and would merely lead to the diversion of badly needed oil from the EEC to other parts of the world. They argue that consumption should be cut by reducing demand, not supply.

Germany, represented by Connt. Otto Jasmundorf, its Economic Minister, is particularly sensitive to suggestions that curb the flow of oil on the spot market because it supplies about a third of Germany's total oil needs.

France has proposed such restrictions in an attempt to answer arguments by the oil exporting countries that the high prices which their crude is fetching on the spot market justify the imposition of special premiums on their exports.

## North Sea

Mr. David Howell, Britain's Energy Secretary, said that the ministers had made definite progress towards greater solidarity in their approach to the Tokyo summit and were in a better position to embark on a dialogue with producer countries, if this were to materialise.

But he appeared unenthusiastic about suggestions that the UK should offer its EEC partners access to North Sea oil. There has been speculation that Britain may be faced with such requests at the Strasbourg summit later this week.

EEC Finance Ministers yesterday agreed to throw squarely into the lap of the heads of Government the thorny problem of British and Italian demands for a fairer distribution of the EEC's economic resources.

£ in New York

	June 18	Previous
Spot	\$8.1000-1010	\$8.1100-1110
1 month	0.80-0.85	0.80-0.80
3 months	0.81-0.77	0.81-0.81
12 months	0.80-0.75	0.80-0.80

## No underwriter for Hanson issue

BY CHRISTINE MOIR

HANSON TRUST has decided to make a £17m rights issue without the safety net of a merchant bank prepared to buy in any shares not taken up by shareholders. To ensure the success of the issue without such a guarantee shareholders are being offered a "bargain basement price."

The company announced yesterday that it would be offering one new share for every two held at a price of 80p compared with a closing price of 185p up 1p in the market.

N. M. Rothschild, Hanson's merchant bankers, has not been asked to underwrite the issue.

Mr. Martin Taylor, one of Hanson's directors, said that the company wished to avoid testing the present volatility of the market by issuing new shares at a price closer to the market price.

At the same time it saved itself at least £300,000 in underwriting fees, he said.

He was confident that the issue would be fully subscribed. Last time Hanson made a rights issue in July 1975, it employed the same technique. Then it raised £8.6m by issuing shares at par (25p) when the market price was 141p.

Mr. James Joll, a director of Rothschild, confirmed that the company had discussed the issue with the bank. He agreed that in today's volatile market a conventional issue close to the market price could have resulted in a low level of subscriptions and a sizeable lump of shares left with the underwriters.

The alternative was to offer a bargain basement price to shareholders "who were, after all, the owners of the company."

Mr. Joll denied that there was any excess demand on the underwriting capacity of the City, "either in real or nominal terms." Hanson had been under no pressure to "go it alone."

Yesterday's announcement of the rights issue coincided with information that figures for the six months to March of £12.5m (£11.5m) pre-tax.

The interim dividend is to be raised by 10 per cent to 32.75p net but shareholders who take up their rights are promised a 50 per cent increase in the full dividend for the current year compared with last.

The rights issue is clearly being made with a view to further acquisitions. According to Mr. Taylor the group had "needed the cash resources, but needed the 'capacity' to make acquisitions" without cutting the internal development programme.

Lex Back Page Results Page 20

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISERS	FALLS
Treas 134p	1897 + 1
Treas 12pc 1983 A	297 1/2 + 1
Berlford (S. & W.)	200 + 10
British Land	68 1/2 + 3
Brown (J.)	511 + 22
Brown & Jackson	245 + 20
Carriers	124 + 8
ERF	113 + 8
Fisons	261 + 7
Furze Withy	293 + 6
GEC	367 + 5
Glaxo	460 + 7
Hambros	305 + 25
Hamper Inv.	78 + 7
Heroo Motor	47 + 5 1/2
Highland Elect	66 + 8
House of Fraser	188 + 18
ICI	360 + 7
MDW	48 + 4
MPI Furniture	132 + 8
Siemssen, Hunter	70 + 8
Trust House Forte	160 + 4
Anglo United Devs.	285 + 15
Blyvoor	383 + 37
Durban Deep	485 + 27
Leibson	735 + 40
Libanon	722 + 54
Northgate Expln.	375 + 45
OC Investments	327 + 15
UAC Reefs	£18 + 2
Westfield Minerals	210 + 13
Bertan Cons.	193 - 7
Muar River	74 - 5
Petaling	224 - 10

### CONTENTS

Living standards: Britain's changing pattern of poverty	18
Nigeria: moving a step near the crossroads to democracy	19
Management: the serious business of strategic management	15
American News	4
Appointments	11
Business Opns.	22
Arts	17
Business	30
Letters	23
Companies	31
Commodities	20
Crossword	18
Entertain, Guide	15
European News	2-3
European Options	30
FT Archives	22
Intl. Companies	24-26
Jobs Column	23
Leader Page	18
Law	30
London	15
Man & Matters	15
Mining	22
Money & Exchange	27
Overseas News	6
Parliament	12
Share Information	34-36
Stock Markets	12
Wait & Meet	22
Bourses	30
Foreign Exch.	22
Today's Events	13
UK News	16
General	8, 10
Labour	11
Unit Trusts	33
Weather	36
World Trade News	6
World Value	7
ANNUAL STATEMENTS	
Bovis Lend Lease	22
Forster Bow	22
Holt Lloyd Intl.	22
Intl. Success Pinc.	20
Co. de Suisse	20
INTERIM STATEMENT	
Thomson Tral.	22

For latest Share Index phone 01-246 8028

**SAVILLS IN THE CITY**

We have pleasure in announcing the recent opening of our new office in the heart of the City, at 19 St. Swithins Lane, London EC4N 8AD. 01-626 0431.

**SAVILLS**

ALL YOU NEED TO KNOW ABOUT PROPERTY

PARIS AMSTERDAM LONDON

EUROPEAN NEWS

TURKISH PREMIER FACES 'NO CONFIDENCE' VOTE

Ecevit in danger of overthrow

By METIN MUNIR IN ANKARA

MR. BULENT ECEVIT, Turkey's Social Democratic Prime Minister, appears to have lost his majority in the ruling National Assembly. He is in danger of being overthrown by the Right-wing opposition parties. Apart from the protracted government crisis which could ensue, there might also be delays before Turkey is in a position to sign the stand-by arrangement with the International Monetary Fund, agreed in principle last week. This agreement is necessary for Turkey to receive the Western credits which its ailing economy needs. Last month, members of the Organisation for Economic Co-operation and Development agreed on an emergency package of \$433m, while Western banks are arranging a credit of about £200m. Disbursement of both depends on Turkey reaching an agreement with the IMF. Mr. Ali Riza Septioglu, a Minister of State to Mr. Ecevit's 17-month-old Government, resigned yesterday, and minutes later joined the main opposition Justice Party (JP) of Mr. Süleyman Demirel, the former Prime Minister. Mr. Septioglu became the third Minister to quit Mr. Ecevit's Cabinet, and stop supporting the Government, in less than a month. Recently, five deputies defected from the Prime Minister's Republican Peoples' Party (RPP), increasing his loss in the 450-member Assembly. Other resignations, both from the Ecevit Cabinet and party, are expected. Mr. Ecevit—whose prestige is at a low ebb—is threatened with

a vote of no confidence at a time of acute economic crisis and social tension in his country arising from political violence between right- and left-wing groups. Last week, Mr. Ecevit—who sent the Turkish Army to Cyprus in 1974—reached an agreement in principle with the IMF for a standby loan. The agreement concluded after a 43 per cent devaluation of the Turkish lire, made under pressure from the Fund, opened the way for an economic rescue operation. Western States banks and institutions pledged credits totalling \$850m this year to end Turkey's economic crisis. Mr. Demirel, the main opposition leader, yesterday claimed that with the resignation of Mr. Septioglu, "the Government has lost its majority in the Assembly." According to his calculation, the Government was down to 220 votes and the right-wing opposition had 223, with one member undecided. The right-wing leader has tabled a censure motion against Mr. Tuncay Mataraci, Minister of Customs and Monopolies, for alleged misuse of authority. This may be accepted on the agenda today. The predominant opinion among political observers in Ankara is that Mr. Ecevit will fall, if not this week, then sometime during the month. Turkey is to receive loans totalling \$40m from the Islamic Development Bank this year. Mr. Ziya Muezzinoglu, Turkish Minister of Finance, said yesterday, after talks with Mr. Ahmad Mohamad Ali, the bank's president. Half the sum has already been approved by the bank's



Prime Minister Bülent Ecevit

Soviet bid to step up output of fast reactor

By Leslie Collett in Berlin

A TOP Soviet science official says his country is developing a design of fast-breeder nuclear reactor, with a "doubling time" of under six years. This means that it will take less than six years to "breed" enough plutonium fuel to start another reactor. The president of the Soviet Academy of Sciences, Mr. Aleksandr Alexandrov, claims the U.S. has "mistakenly" chosen to develop fast-breeder reactors that would take 15-20 years to double their plutonium inventory. This rate will not meet America's energy needs, he claims, which will require a doubling "in under 10 years." Mr. Alexandrov alleges that President Jimmy Carter recently forbade the construction of the Clinch River prototype fast-breeder reactor not in order to "prevent the spread of nuclear weapons" but because the design's rate of production of plutonium was "unsatisfactory." In an article for a leading Communist Party journal published in Czechoslovakia, the Soviet scientist says that, without nuclear energy, countries such as the U.S., West Germany and Japan would "quickly lose their economic importance." He charges that reports by the Western Press about the Three Mile Island nuclear accident in the U.S. in March "strongly exaggerated the basically insignificant operational results." He called this a continuation of the protest campaign against nuclear energy in the West in which the "masses frequently do not realise it reflects the line followed by the oil monopolies." By 1990, he says, nuclear power stations in the European part of the Soviet Union will produce about one-third of total electricity output. He discloses that nuclear district heating plants are being built in the "middle of real-estate complexes" in the cities of Gorki and Voronezh which "meet all safety requirements." Over the next 10 years, he writes, several hundred such nuclear heating plants are to be built. David Fishlock adds: Countries outside the East Bloc have placed higher priority in recent years on the safe engineering of the fast reactor than on the "doubling time." Doubling time has little influence on the economics of the reactor, but is primarily of importance when the rate of electricity growth is high. The Russians are chairmen of the U.S.-inspired International Nuclear Fuel Cycle Evaluation which is studying the fast reactor. It is understood that U.S. representatives on this committee have recently been very critical.

Israeli settlements policy criticised by EEC ministers

By ROBERT MAUTHNER IN PARIS

THE Foreign Ministers of the nine EEC countries yesterday issued a declaration strongly critical of Israel's policy on the Palestinian question and on Jewish settlements on the West Bank of the Jordan. The declaration adopted after a political co-operation meeting here, said the Nine considered that several Israeli Government policies were obstacles to the search for a peace settlement. The Ministers emphasised, in particular, that Israel's claim to sovereignty over occupied territories was incompatible with the UN Security Council's Resolution 242, which stated that the acquisition of territories by force was inadmissible. The declaration also accused Israel of contravening international law by its policy of promoting Jewish settlements in occupied territories. Repeating earlier statements by the Nine on the Middle East crisis, the Ministers again called on Israel to withdraw from territories which it has occupied since the six-day war in 1967. They also emphasised that a just and lasting peace must take account of the legitimate rights of the Palestinians, including their right to a homeland. The declaration also expressed the Nine's strong support for the independence and territorial integrity of Lebanon, and deplored all acts which prevented the Lebanese Government from exercising its authority over the entire country, notably its southern region. On the subject of Vietnamese refugees, the Nine supported the urgent convening of an international conference under UN auspices. The Ministers agreed that they would also make a diplomatic approach to the Vietnamese Government, with a view to finding a solution to the refugee problem. They emphasised that the acceptance of refugees, now restricted to only a few countries, should be more fairly spread throughout the international community.

Dutch workers protest against public spending cuts

By OUR AMSTERDAM CORRESPONDENT

THOUSANDS OF workers throughout Dutch industry are expected to down tools today to take part in a nationwide protest against Government plans for public spending cuts. A mass demonstration has been called in Utrecht by the Socialist-Catholic FNV trade union federation. It has advised members who cannot make the journey to the city to hold local protest meetings. Private employers have responded with a threat to withhold pay from anyone who takes part in the protest. The Interior Ministry, which is responsible for public authority workers, has said time taken off work will be deducted from holiday entitlement. Mr. Hans Wiesel, the Interior Minister and Deputy Prime Minister, has also ordered a minimum number of workers to stay on duty so that Government services do not break down. Local authority workers in Amsterdam, The Hague and Rotterdam are expected to stop working. This means that public transport and refuse collection services will be halted. Many welfare services will also be affected. The union is protesting

against a number of Government measures which have become known as the "July 1 package" from the date they are due to take effect. The measures are due to be debated in Parliament tomorrow and on Thursday. They are intended to back up the three-year programme of public spending cuts announced last year. The Government plans to slow the rate of increase of public authority workers' salaries and of social security benefits. It also plans to drop the index linking of higher salaries—those above Fl 55,000 (£12,700).

The unions and the Left-wing political parties have criticised the measures as biting the weakest members of society the hardest. The unions also want to limit price compensation for high wage earners, but object to the way the Government's proposals will break central wage agreements already negotiated. The annual wage round passed off peacefully in the past two years, but public service unions protested last year against the proposed limits on their members' salaries, which are linked to those of industry. The salaries have been stoged out for curbs after it was found they had been allowed to rise too fast. Public service workers are prevented by law from striking, although Parliament is considering a change in the legislation. Significantly, a judge accepted the right of railway workers to strike in a judgment delivered last Friday. He banned a token strike planned for yesterday by the transport unions, but did so on the grounds that negotiating procedures had not been exhausted.

France presses demands for 2-3% farm price rise

By MARGARET VAN HATTEN IN LUXEMBOURG

FRANCE PRESSED demands for a 2-3 per cent increase on all EEC farm products as Community Farm Ministers began talks in Luxembourg yesterday. The ministers threw out all their officials and assessed each other's starting negotiating position behind closed doors. These positions, including their reaction to the British demand for a new "green pound" devaluation, were expected to be clarified later in the evening. However, the earliest reports indicated wide gaps between member states on most major issues, and widespread hostility to the British request, particularly from France. This hostility centres not so much on the devaluation itself but to its being expressed at the same time as Britain is pushing for a price freeze. M. Pierre Meunier, the French Agriculture Minister, was reported to have said that there could be no devaluation for Britain outside the context of an overall settlement. The biggest single problem in this year's price review concerns the Community's dairy surplus. The Commission has proposed a tax of about 5 per cent on milk incomes in an attempt to curb production. Each member state objects to a different part of the proposed tax scheme, each for largely nationalist reasons, and not one state appears ready to accept the tax in its proposed form. However, discussions this week may become so entangled on the issue of the general price level that there is already talk that the milk package may have to be set aside until the autumn. The Commission has estimated that failure to impose a tax of about 5 per cent in 1979-80 will add around 800m European units of account (just over £500m) to the EEC budget for that year. Mr. Peter Walker, the new British Minister of Agriculture, said on his arrival in Luxembourg that he was looking forward to the price review and intended "to play a constructive and positive part in the council's discussions."

"Better go Gulf Air..."



...they know the way"

We know the way modern business demands a direct daily link between the United Kingdom and the Arabian Gulf, with immediate onward connections throughout the area. That's why we scheduled\* two luxurious TriStar flights daily from London at convenient times, to link up with our comprehensive Intra Gulf network. We know the way regular travellers appreciate our roomy seating and unique Golden Falcon Service. With superb international catering, plus fine French wine, full length movies and audio entertainment, all with the compliments of Gulf Air. Better go Gulf Air, twice daily from London to the Gulf.

\*From 16th June. †Gulf Air is a member of 'La Confrerie de la Chaine des Rotisseurs'—one of the world's oldest and most famous gastronomic societies.

ABU DHABI AMMAN AMSTERDAM BAGHDAD BAHRAIN BANGKOK BEIRUT BOMBAY CAIRO DHAHRAN DOHA DUBAI HONG KONG JEDDAH KARACHI KUWAIT LARNACA LONDON MUSCAT PARIS RAS AL KHAIMAH SALALAH SHARJAH TEHRAN



Luxembourg awaits PM

M. PIERRE WERNER, leader of Luxembourg's Social Christian Party, which emerged as the strongest in the country's June 10 general election, is expected to be named Prime Minister-designate today, writes our Luxembourg correspondent. This follows talks which M. Jean Dupong, the former Education Minister, held with the three main parties. A coalition between M. Werner's Social Christians and the Democratic Party of the former Premier, M. Gaston Thorn, seems most likely to succeed the Democratic-Socialist coalition.

Danish tax package ready

By HILARY BARNES IN COPENHAGEN

AFTER MORE than a week of negotiations the Social Democratic-Liberal coalition appeared to be close to agreement yesterday on economic stabilisation measures. The main ingredients are expected to be energy taxes, including increased taxes on petrol, heating oil and electricity, amounting to a total of about Kr 4bn (£350m); reductions of about Kr 4bn in the projected expenditure of local authorities in the coming year; and a reduction of about Kr 2bn in projected Government expenditure. The Kr 10bn package is equal to about 3 per cent of 1978 gross domestic product. The measures are intended to prevent a runaway increase in public spending, rising at a real rate of about 5.5 per cent this year, and to prevent a serious deterioration in the balance of payments deficit. Without these measures the deficit would probably rise from an expected Kr 10bn this year to around Kr 14bn in 1980.

W. German spies jailed

By JONATHAN CARR IN BONN

ONE OF the most serious espionage cases in NATO history—an affair which forced the resignation last year of Herr Georg Leber, the West German Defence Minister—has ended in heavy sentences by a Duesseldorf court. In its verdict yesterday, the court convicted Herr Lothar Lutze, aged 38, and his wife, Renate, aged 39, of treason, and sentenced them to 12 years' and six years' imprisonment respectively. The couple and their accomplices were found guilty of betraying nearly 4,000 pages of documents from the Defence Ministry to East Germany.

Honecker, Nkomo in aid talks

By OUR BERLIN CORRESPONDENT

MR. JOSEUA NKOMO, co-president of the Patriotic Front guerrillas fighting against the Mugabere Government in Zimbabwe Rhodesia, is to East German talks on increased aid, including military supplies. The Soviet Union is deploying the East Germans increasingly in southern Africa to carry out Soviet policy, as Moscow does not want to be seen as a direct participant in the struggle. East Germany is expected to grant Mr. Nkomo's request for more aid as Herr Erich Honecker, East Germany's President and party leader, sent a message to him and his co-president, Mr. Robert Mugabe, last week, assuring them of East Germany's "unconditional solidarity." Mr. Nkomo's first talks in East Berlin were with General Heinz Hoffmann, the Defence Minister, who is also a member of the Politburo. Gen. Hoffmann headed a large East German military delegation to the front-line African states last month and disclosed that East Germany was providing "military aid for the just struggle of the African peoples." At a meeting in the East German Defence Ministry, Mr.

For those who appreciate the difference.

In Los Angeles a grand-luxe hotel that provides superior service and facilities for the discriminating international traveller.

**Beverly Wilshire Hotel**

Wilshire Boulevard at Rodeo Drive, Beverly Hills, Ca. 90212. Tel. 213-277-2200.

Reservations by TRIP Member Preferred Hotels Agency (001) 800-333-3333.

مكتبة الجولف

# Swiss prices up but inflation level still low

**BY JOHN WICKS IN ZURICH**

ALTHOUGH THE Swiss cost of living has been accelerating since last autumn, the country is still not faced with an inflation problem. This is claimed in the latest quarterly report of Switzerland's Commission for Economic Studies, which indicates that retail and wholesale prices will initially continue to rise rather faster but should slow down again towards the end of the year.

Last month, the national inflation rate was the highest for over three years—but still was only 2.8 per cent annually.

The higher inflation rates, says the Commission, are not a result of the rapid increase in money supply in recent months but rather of the comparison with the very low 1978 percentages. These in turn were brought about by the appreciation of the exchange rate and its consequent drop in Swiss franc import prices. The Commission points to the marked improvement of business for

most sectors of the economy due to the weakening of the exchange rate.

Government figures show that unemployment dropped by 5.3 per cent last month, to 10,557—or 0.4 per cent of the total workforce—but was still 12.7 per cent higher than a year earlier. There were 8 per cent more situations vacant offered by labour exchanges than in May, 1978, however.

At the same time, exports were up by 8.3 per cent and imports by 13.8 per cent last month in an annual comparison. Import prices were down by an average of 15.5 per cent, while actual import volume was up 34.8 per cent. With a 2.3 per cent increase in the average export value, the real increase in exports was only 5.6 per cent.

In the first five months of 1979, the Swiss trade gap totalled SwFr 1,490m (£416m), or over double the SwFr 714m booked for the similar period last year.

# Mitterrand faces new leadership challenge

**BY DAVID WHITE IN PARIS**

THE FRENCH Socialist Party's lower than expected score in the European election has provided the pretext for a fresh and sharpened internal conflict. The latest row between M. Francois Mitterrand and his two powerful opponents in the party, M. Michel Rocard and M. Pierre Mauroy, is seen as the launching of an open succession battle for the leadership and for the Socialist's presidential nomination in 1981.

The conflict has been smouldering since M. Mitterrand's setback at the party congress in Metz in April, when he received the backing of only 47 per cent for his policy resolution.

Things flared up at the weekend, when the management committee met for a European election post-mortem. M. Mauroy, mayor of Lille and head of one of the party's most powerful regional federations, criticised both the party's organisation and its platform for the election, when the Socialists lost part of their advantage over the Communists in the balance of the French Left.

His reproaches prompted M. Mitterrand to call a national convention for next Sunday, but both M. Mauroy and M. Rocard, who is M. Mitterrand's main rival for the leadership, said they and their supporters would boycott it because it was called too hastily.

An opinion poll at the weekend showed M. Mitterrand slightly ahead of M. Rocard in a dry-run presidential election. According to the poll, President Valery Giscard d'Estaing would beat M. Mitterrand with 53 per cent of the vote, and M. Rocard with 55 per cent.

# German politicians' banking role criticised

**BY JONATHAN CARR IN BONN**

POLITICAL embarrassment for leading members of West Germany's ruling parties and a renewed debate on the role of the country's Landesbanks seem bound to follow release of a notably blunt provincial Parliamentary report.

The report criticises by name politicians involved in the supervision of the Westdeutsche Landesbank (West LB) at the time its former executive chairman, Herr Ludwig Poulain, stepped down, amid sharp public controversy.

The politicians include Herr Friedrich Halstenberg, treasurer of Chancellor Helmut Schmidt's Social Democrat Party (SPD), and Herr Burkhard Hirsch, Interior Minister of the state of North Rhine-Westphalia and a member of the SPD's coalition partner, the Free Democrats (FDP).

The report also recommends replacement of some of the Ministers on West LB's administrative council by non-Cabinet banking experts, and establishment of a clear division between the State's supervisory and administrative tasks.

The report was released in Dusseldorf, the State capital, by a nine-member, all-party investigating committee of the State Parliament.

It is felt likely that most of its recommendations will be followed—and that action here

may well set a precedent for other federal States.

The committee was set up in February, 1978, to examine the circumstances in which Herr Poulain left the West LB, and the extent to which State representatives played their proper part in supervision of the bank's affairs.

The State is involved because the West LB acts, among other things, as the central bank of North Rhine-Westphalia. Government members, therefore, have six places on the bank's administrative council.

Herr Poulain announced on December 23, 1977, that he was resigning as chairman — only three weeks after the administrative council (including State representatives) had re-elected him for a further five years.

In January, 1978, Herr Poulain was summarily dismissed by the bank with effect from December 23.

Last month, a Bielefeld State prosecutor with fraud and breach of trust—which he promptly denied "in every point."

He has also been taking legal steps against what he feels to have been wrongful dismissal.

The investigating committee's report finds that Herr Halstenberg, then Finance Minister of North-Rhine-Westphalia, had

known about investigations by the State Prosecutor's office well before Herr Poulain's re-election on December 2, 1977.

But it says he neither took energetic measures to prevent the re-election, nor to see if the prosecutor's proceedings could be speeded up, nor to inform his Economics Ministry colleague.

Herr Hirsch is said by the report to have taken part in only one of 16 meetings of the bank's credit committee. He explained this primarily by pressure of other tasks.

It could not be excluded that the Minister had harmed the bank by this attitude, the report said.

# Urenco undeterred by nuclear slowdown

**BY CHARLES BATCHELOR IN ALMELO**

THE URENCO uranium enrichment plant at Almelo in the Netherlands was once listed in the local trade directory under "spin-dryers and washing machines." The confusion arose because the Dutch part of the Anglo-German-Dutch venture is Ultra-Centrifuge Nederland (UCN)—and centrifuge has both meanings.

Any uncertainty remaining over the purpose of the plant, three miles from the centre of the small town of Almelo, was dispelled in March last year. More than 30,000 demonstrators surrounded the wire fencing and broke a few windows in protest against a plan to enrich uranium for Brazil. After lengthy and heated debates in the Dutch parliament, where many MPs were worried that the uranium could ultimately be used to make nuclear weapons, the deal has gone ahead. But the whole episode has not been without its consequences for Urenco.

Britain, the Netherlands and West Germany agreed to pool their research and development activities into the enrichment of uranium and signed the "Almelo treaty" in March 1970. A network of interlocking companies was set up involving both government and private industry capital.

The headquarters and joint sales organisation, Urenco, is based in Marlow in the UK, while research goes on in all three countries. The two uranium enrichment plants currently in operation are at Almelo and Copenhagen in the UK, while a third plant at Gronau, just over the border

occurs in concentrations of 0.7 per cent naturally, is increased to about 3 per cent. The enriched uranium is cooled and piped back into small containers which are returned to the customer.

The controversy over the project has had two consequences for the Urenco group. The German utilities, which are large customers, pressed for the setting up of a plant in Germany man parnee, Ucanit.

According to Mr. Johan van Hasselt, administrative director of UCN and a former Shell manager, the move to almost complete state control will not change UCN's commercial character. "This won't make it any more difficult for us to carry on our work. Since Parliament has to approve the export licences, we are under the politicians' control anyway."

A group of Christian Democratic MPs is calling for a meeting with the Dutch Foreign Minister to discuss reports that secrets stolen in the Netherlands could give Pakistan the capacity to make nuclear weapons, writes Charles Batchelor. An investigation into claims that a Pakistani metallurgist, who worked in Urenco, stole documents between 1972-75, was begun in October and is still continuing.

The MPs are particularly concerned that secret service screening procedures may not be tight enough and that Holland's position as an opponent of the spread of nuclear weapons may have been damaged.

Urenco claims that, of the world's four enrichment suppliers, only two are attempting to operate on a commercial basis. The U.S. Department of Energy, which operates more than 60 per cent of the world enrichment capacity of 30,000 tonnes, quotes unrealistically low prices which barely cover its energy costs. The U.S. price of \$86 per kg should be at least 60 per cent higher if normal commercial criteria were applied, Mr. van Hasselt says.

The Soviet Union, with around seven per cent of world capacity, deliberately sets its prices five per cent below the U.S. level. This leaves the

French group, Eurodif, which will soon have 25 per cent of world capacity, and Urenco, with about five per cent—when its present expansion to 2,000 tonnes is completed—to compete on a commercial basis.

Although Urenco's prices are higher than those of the U.S. or the USSR—a recent contract was reportedly signed for \$100 a kilo—it claims to offer a better service. Some customers have become concerned at the U.S. Department of Energy's high-handed tactics and have switched contracts to either Urenco or Eurodif.

Urenco now has orders for 27,000 tonnes of enrichment work worth Fl 6bn (£1.36bn) which will keep its plants in the UK, the Netherlands and soon West Germany, busy until 1995. Sixty per cent of the work is for German customers, 30 per cent for those in the UK and ten per cent for Brazil.

Ironically, its only customer in the Netherlands is the small experimental nuclear power station at Dodewaard near Nijmegen. The Netherlands' only commercial nuclear power station at Borssele, with 450MW capacity, obtains its enriched uranium requirements from the U.S.

Although the length parliamentary delays have meant UCN is having to expand rapidly to fulfil its contracts, uranium enrichment capacity in the world is at present double the annual demand of 15,000 tonnes. Demand is forecast to grow to 45,000-50,000 tonnes by 1990 and may then slightly exceed capacity.

# Faster growth forecast for Nordic economies

**BY WILLIAM DULLFORCE IN STOCKHOLM**

THE ECONOMIES of the Nordic countries will grow faster than those of most other OECD countries this year and next, after three years in which their performance has been much weaker than the OECD average. But the profile for 1980 points to a further fall in growth impetus.

This forecast is contained in "Nordic Economic Outlook" by analysis produced jointly very six months by the federations of industries in Denmark, Finland, Norway and Sweden. Their experts predict a 4 per cent GDP growth for the area this year, tapering off to 3.75 per cent in 1980.

The sluggish domestic demand of the past few years in all four countries has been the price they have paid for giving priority to their current account imbalances. The combined current account deficit was reduced from \$9.6bn in 1977 to \$3.9bn in 1978.

The federations, however, expect the deficit to accelerate again this year to \$5bn. Norway's rising oil income is estimated to cut its deficit to \$200m in 1980, outweighing further rises in the Swedish and Danish current account deficits.

Private investment in the Nordic area is expected to experience a minor upswing after falling to a very low level over the past few years. Denmark is the only country to show some growth last year, should have a further increase this year, while growing optimism in Finnish and Swedish business will, it is hoped, result in a decisive rise.

All four Nordic countries curbed their inflation rates last year, but prospects for 1979 and 1980 vary. A wages and price freeze is operating in Norway. Finland expects to keep the rise in prices to 7-8 per cent this year, but inflation is forecast to accelerate in Denmark and Sweden.

# Venice rejects split

THE voters of Venice rejected by three to one at the weekend proposals to split the city and the Mestre industrial zone on the mainland into two separate administrative units, writes Rupert Cornwell in Rome. Although the referendum was technically only consultative, the regional authorities indicated that they would accept a convincing demand for a split.

# BP Nutrition's good feed guide.

## Compiled by Data General computer.



Britain's Livestock can look forward to being better fed.

The reason: BP Nutrition (UK) Ltd, who originate feed formulations for a large number of the country's compounders, are using a Data General mini-computer to help them compile formulations.

Normally it's no easy task, there are up to 200 possible ingredients that can be used. And ingredient prices and availability can vary daily.

But the Data General Eclipse system enables BP to give 'least cost' mixes to meet nutrient requirements quickly and in detail.

The printout lists individual raw material costs. Opportunity prices of rejected raw materials. Plus a detailed breakdown of nutrient values.

Where requested, rations are rounded off to convenient batch quantities. And tonnages required to manufacture a given ration.

Another advantage: customers can 'lock-into' the system from terminals located in their own offices.

The software for the system was written by Scicon—a member of the BP Group of Companies.

Terry Smith, BP Nutrition's Computer Services Manager says: "The Eclipse system enables us to give more than a 'least cost' solution. We now give a fully informative service with all the information customers could wish for. And faster too! Now we're looking at other ways to use Eclipse flexibility. For example, specialised programs to predict milk yields and diets to optimise pig growth."

Data General has installed more than 63,000 systems world-wide for all sorts of tasks. Systems that provide excellent price/performance as well as superior reliability. And everything's supported world-wide. Send for information. Data General could be your 'least cost' solution too.

**Data General**  
A NEW GENERATION OF COMPUTERS  
63,000 ARE NOW AT WORK IN 57 COUNTRIES.

To: Marketing Communications, Data General Limited,  
3rd and 4th Floors, Hounslow House, 724-734 London Road,  
Hounslow, Middlesex TW3 1PD. Tel: 01-572 7455.

Please send literature.  
 Please send literature and have a representative phone me.

Name \_\_\_\_\_  
Position \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
Tel: \_\_\_\_\_

Eclipse is a registered trademark of Data General Corporation. ©Data General Corporation 1979

# BREZHNEV AND CARTER SIGN SALT-2 TREATY

## Main points of accord limiting strategic weapons

THE BASIC elements of the SALT II agreement, which is designed to run until the end of 1985, have been known for some time. The main items are:

### Weapons

An initial limit of 2,400 strategic nuclear weapons on both sides, declining to 2,250 by the end of 1981. This would require the Soviet Union to dismantle 250 to 300 weapon systems.

### Warheads

Various sub-limits on MIRV (Multiple Independent Re-entry Vehicle) warheads (those with multiple warheads which can be separately targeted)—with an overall ceiling of 1,320 units. This breaks down into a sub-limit of 820 for MIRVed Intercontinental Ballistic Missiles (ICBMs) and 500 for ICBMs plus MIRVed submarine-launched ballistic missiles. The total of 1,320 is reached by adding long-range bombers carrying Cruise missiles (piloted, low-flying subsonic drone aircraft).

### Missiles

Neither side may introduce more than one type of intercontinental ballistic missile during the life of the treaty.

### Monitoring

The understanding that each side will be able to verify the other's deployment of missiles. This has been one of the principal sticking points in the past year, particularly since the loss of the U.S. monitoring bases in Iran, and may still be a problem in the U.S. Senate debate.

### Cruise

An accompanying protocol, lasting until 1981, barring deployment of ground and sea-launched Cruise missiles with a range of more than 375 miles, and limiting the deployment of mobile missile systems.

### Bomber

A side letter covers the Soviet "backfire" bomber, which is not referred to in the treaty itself. In the letter, the Soviet Union agrees not to increase production beyond the present estimated rate of 30 a year, and to refrain from giving it the capability of striking the U.S.

# Leaders agree to future meetings, more co-operation

In the communique both the U.S. and the Soviet Union say they want to continue working towards a more stable and constructive foundation for relations between them, and to this end they will need to expand areas of co-operation.

The Vienna summit confirmed the usefulness of personal meetings between them and agreed in principle that such meetings would be held on a regular basis in future.

Limitations of nuclear and conventional arms: The two sides reaffirmed their deep conviction that special importance should be attached to the problems of the prevention of nuclear war and to curbing the competition in strategic arms. Both sides recognised that nuclear war would be a disaster for all mankind. Each stated that it is not striving and will not strive for military superiority, since that can only result in dangerous instability, generating higher levels of armaments with no benefit to the security of either side.

(The communique outlined the following key areas.) In SALT: In the course of the meeting President Carter and President Brezhnev confirmed and signed the treaty between the U.S. and the USSR on the limitation of strategic offensive arms, the protocol thereto, the joint statement of principles and basic guidelines for subsequent negotiations on the limitation of strategic arms and the document entitled Agreed Statements and Common Understanding Regarding the Treaty between the U.S. and USSR on the Limitation of Strategic Offensive Arms.

At the same time, the sides again stressed the great significance of the Treaty of the Limitation of Anti-Ballistic Missile Systems and its provisions and of other agreements previously concluded between them in the field of strategic arms limitation and reducing the danger of nuclear war.

Both sides expressed their deep satisfaction with the progress of the negotiations of strategic arms and with the fact that their persistent efforts for many years to conclude a new treaty has been crowned with success. This treaty sets equal ceilings on the nuclear delivery systems of both sides; to begin the process of reductions it requires the reduction of existing nuclear arms; to begin to limit the threat represented by the qualitative arms race it also places substantial constraints on the modernisation of strategic offensive systems and the development of new ones.

President Carter and President Brezhnev discussed questions relating to the SALT 3 negotiations, and in this connection expressed the firm intention of the sides to act in accordance with the joint statement of principles and basic guidelines for subsequent negotiations on the limitation of strategic arms.

Comprehensive test ban treaty: It was noted that there has been definite progress at the negotiations in which the UK is also participating, on an international treaty comprehensively banning test explosions of nuclear weapons in any environment, and an associated protocol. They confirmed the intention of the U.S. and the USSR to work, with the UK, to complete preparation of this

national safeguards under the International Atomic Energy Agency and pledged to continue their efforts to strengthen these safeguards.

Both sides further committed themselves to close co-operation with other countries, to ensure a successful conclusion to the Non-Proliferation Treaty Review Conference in 1980, and

called upon all states which have not already done so to sign and ratify the non-proliferation treaty.

Vienna negotiations: President Carter and President Brezhnev emphasised the great importance of the sides attached to the negotiations on the mutual reduction of forces and armaments, and associated measures in central Europe in which they are participating with other states. A reduction of the military forces of both sides and the implementation of

respective representatives will meet promptly to discuss questions related to the next round of negotiations on limiting conventional arms transfers.

Chemical weapons: The two sides reaffirmed the importance of a general, complete and verifiable prohibition of chemical weapons and agreed to intensify their efforts to prepare an agreed joint proposal for presentation to the Committee on Disarmament.

Radiological weapons: President Carter and President Brezhnev agreed that their respective representatives will meet promptly to discuss questions related to the next round of negotiations on limiting conventional arms transfers.

International issues: There was a broad exchange of views on major international issues. The two sides expressed their support for the process of international détente.

President Carter and President Brezhnev devoted particular attention to situations of tension which complicated the international situation and interfered with positive developments in other areas.

The sides noted with satisfaction the positive developments which have taken place in recent years with respect to the situation on the European continent. They underscored the significance of the Final Act of the Conference on Security and Co-operation in Europe. The two sides agreed that continuation of the CSCE process is important to promote security and co-operation in Europe. They called attention to the need for full implementation of all the provisions of the Helsinki Final Act.

Each side reaffirmed its interest in a just, comprehensive and lasting peace in the Middle East and set forth its position on ways and means of resolving the Middle East problem.

There was an exchange of views concerning developments in Africa. They noted some normalisation of the situation in certain areas of that continent, and the efforts of the independent states of Africa towards co-operation, economic development and peaceful relations and the positive role in this respect of the Organisation

of African Unity. They also indicated their respective views regarding the situation in southern Africa.

The sides recognised the importance to world peace of peace and stability in Asia. They agreed that the independence, sovereignty and territorial integrity of all nations in the area must be fully respected. They also indicated their respective views regarding the situation in south-

Soviet Backfire statement: On June 16 1979, President Brezhnev handed President Carter the following written statement: "The Soviet side informs the U.S. side that the Soviet TU-22M airplane, called Backfire in the U.S., is a medium-range bomber and that it does not intend to give this airplane the capability of operating at inter-continental distances. In this connection, the Soviet side states that it will not increase the radius of action of this airplane in such a way as to enable it to strike targets on the territory of the U.S. Nor does it intend to give it such a capability in any other manner, including by inflight refuelling. At the same time the Soviet side states that it will not increase the production rate of this airplane as compared to the present rate."

President Brezhnev confirmed that the Soviet Backfire production rate would not exceed 30 per year.

President Carter stated that the U.S. intends to enter into the SALT 2 agreement on the basis of the commitments contained in the Soviet statement and that it considers the carrying out of these commitments to be essential to the obligations assumed under the treaty.

Indian Ocean: The two sides agreed that their respective representatives will meet promptly to discuss questions related to the next round of negotiations on limiting conventional arms transfers.

Chemical weapons: The two sides reaffirmed the importance of a general, complete and verifiable prohibition of chemical weapons and agreed to intensify their efforts to prepare an agreed joint proposal for presentation to the Committee on Disarmament this year.

Indian Ocean: The two sides agreed that their respective representatives will meet promptly to discuss questions related to the next round of negotiations on limiting conventional arms transfers.

Chemical weapons: The two sides reaffirmed the importance of a general, complete and verifiable prohibition of chemical weapons and agreed to intensify their efforts to prepare an agreed joint proposal for presentation to the Committee on Disarmament this year.

Radiological weapons: President Carter and President Brezhnev agreed that their respective representatives will meet promptly to discuss questions related to the next round of negotiations on limiting conventional arms transfers.

## Protocols to the Treaty

THE U.S. and the USSR, hereinafter referred to as the parties, having agreed on limitations on strategic offensive arms in the treaty, have agreed on additional limitations for the period during which this protocol remains in force, as follows:

Article 1: Each party undertakes not to deploy mobile Intercontinental Ballistic Missile (ICBM) launchers or to flight test ICBMs from such launchers.

Article 2: Each party undertakes not to deploy cruise missiles capable of a range in excess

of 375 miles on sea-based launchers or on land-based launchers. Each party undertakes not to flight test cruise missiles capable of a range in excess of 600 kms which are equipped with multiple independently targetable warheads from sea-based launchers or from land-based launchers. For the purpose of this protocol cruise missiles are unmanned, self-propelled, guided, weapon - delivery vehicles which sustain flight through the use of aerodynamic lift over most of their flight path and which are flight tested from or deployed on sea-based or

land-based launchers, that is, sea-launched cruise missiles and ground-launched cruise missiles respectively.

Article 3: Each party undertakes not to flight test or deploy ASBMs (Air to Surface Standoff Missiles).

Article 4: This protocol shall be considered an integral part of the treaty. It shall enter into force on the day of the entry into force of the treaty and shall remain in force through December 31, 1981, unless replaced earlier by an agreement on further measures limiting strategic offensive arms.

Brizhnev confirmed that bilateral agreements on major elements of the treaty banning the development, production, stockpiling and use of radiological weapons has been reached. An agreed joint proposal will be presented to the Committee on Disarmament this year.

Indian Ocean: The two sides agreed that their respective representatives will meet promptly to discuss questions related to the next round of negotiations on limiting conventional arms transfers.

Chemical weapons: The two sides reaffirmed the importance of a general, complete and verifiable prohibition of chemical weapons and agreed to intensify their efforts to prepare an agreed joint proposal for presentation to the Committee on Disarmament this year.

Radiological weapons: President Carter and President Brezhnev agreed that their respective representatives will meet promptly to discuss questions related to the next round of negotiations on limiting conventional arms transfers.

## Vienna may lead to 'better understanding'

BY DAVID SATTER

PRESIDENT CARTER and President Brezhnev got along well together, which might make it easier to resolve future differences, Soviet officials said. Although the remarks of Mr. Leonid Zamyatin, the Soviet spokesman, and Soviet press reporting have been unexpectedly derisive when referring to areas of disagreement, Soviet officials said the general atmosphere of the talks had been positive.

Tass, the Soviet news agency reported a Soviet refusal to agree to the use of United Nations forces in support of the Israeli-Egyptian peace treaty, saying: "The USSR will not back proposals intended to exploit the United Nations for collaboration of the Egyptian-Israeli separate deal."

The Tass report, which was carried in Soviet morning newspapers, also reported the remark attributed to Mr. Brezhnev, that U.S. concern over a

Soviet role in the creation of the "arc of crisis" along the Soviet Union's southern border was "an invention" and that was "an invention" and that it was surprising that the U.S. saw fit to designate an area far from the U.S. as "a sphere of vital interests of the U.S."

The Tass report also ridiculed U.S. concern about the Soviet arms build-up in Europe, as Mr. Zamyatin had at the Press conference. But the discussion of areas of conflict had been "important to an understanding of the realities of the contemporary world," Soviet officials said privately.

The Soviet official said the meeting was positive because a whole range of disarmament proposals had been discussed, including non-proliferation and force reduction. Each side, at the highest level, had the opportunity to explain its policies, and Mr. Carter and Mr. Brezhnev had succeeded in establishing a personal relationship.



ALL SMILES... Carter and Brezhnev before the signing.

## Senate opponents start new public attacks on treaty

BY DAVID BUCHAN IN WASHINGTON

SENATE OPPONENTS of the new SALT II treaty stepped up their public attacks on it only hours after the Vienna signing ceremony yesterday, with Senator Jake Garn, a Conservative Republican, warning against what he called the widespread misapprehension that it would reduce nuclear armaments.

Only minor reductions would be required on missile launchers, while stocks of nuclear warheads would be restrained, he told a Capitol Hill press conference yesterday. Another Republican, Senator Jesse Helms, called on the Carter Administration not to mislead the Senate over SALT II as it had done in the debate over the Panama Canal treaties.

Senator Helms also urged the Democratic leadership of the Senate to allow the televising of the final floor debate on ratifica-

tion of the SALT II treaty, because until those debates begin, the Administration and its supporters will have a virtual monopoly on the presentation of their viewpoint.

Mr. Thomas Watson, former chairman of the board of International Business Machines is expected to be nominated by President Carter as the next U.S. Ambassador to the Soviet Union, it is reported. This appointment will be taken as a sign that the U.S. wants to push trade links with Moscow. IBM has long urged an expansion of U.S.-Soviet trade.

The North Carolina Conservative promised to play fair and restrain himself in the forthcoming Senate debate—where a two-thirds majority (67 votes) is needed to ratify the treaty—

but said this should equally apply to those "who cry that if the treaty fails, America runs the risk of being seen as a hypocritical nation with peace on its lips and war in its heart."

Meanwhile, Dr. Henry Kissinger, the former Secretary of State whose eventual verdict on SALT II is expected to sway a number of middle-of-the-road Senators at present doubtful or ignorant about the new treaty, said yesterday he would withhold judgment until top Administration officials had testified before Senate committees. These hearings are due to start in the second week of July.

Dr. Kissinger said the critics of SALT II must show that the U.S. would be better off without the agreement, while the Carter Administration had to demonstrate that the accord would not weaken the U.S. nuclear ability.

## AMERICAN NEWS

### Britons evacuated from Nicaragua

BY HUGH O'SHAUGHNESSY

AS FIGHTING continues to rage between the National Guard and Sandinista guerrillas in many towns in Nicaragua, some dozen Britons have been evacuated to Panama in a U.S. Air Force airlift. In a despatch from Managua, the Paris daily, Le Monde, said an unmarked aircraft and personnel who had worked for the U.S. airline, Air America, a company whose name had been linked with the CIA during the Vietnam war, had been sighted at Managua airport.

Although the outcome of the present insurrection against the rule of President Anastasio Somoza continues to be in doubt, the Sandinistas appear to have won a number of tactical and diplomatic points over the weekend.

After heavy fighting on Sunday the rebels captured the Acosasco fortress of the National Guard in Leon, the country's second city, and burned it. They now appear to be in practical control there.

At the same time the Sandinistas are reported to be making great efforts to advance north from their strongholds near the southern border with Costa Rica and take the town of Rivas. This is where it is expected they will constitute a provisional government. The Sandinistas have named a five-man junta to head this government, which will seek international recognition and help.

### Venezuela to invest \$2.3bn in Orinoco oil

By Kim Foad in Caracas

VENEZUELA'S state oil monopoly, Petroleos de Venezuela has allocated some \$2.3bn up to the end of 1985 for developing the Orinoco oil belt, according to Sr. Julio Cesar Arreaza, the company's vice-president.

### Wage guidelines hit by rubber pay deals

BY JOHN WYLES IN NEW YORK

THE CARTER Administration's pay restraint guidelines are facing a major embarrassment following agreements during the weekend which are expected to result in increases in pay and benefits of more than 40 per cent for 55,000 rubber industry workers.

The agreements, the first with R. F. Goodrich and the second with the Rubber Workers Union, will almost certainly be implemented by the Firestone Tire and Rubber Company. However, the industry's largest company, Goodyear Tire and Rubber, may find it difficult to endorse it, and this is a potential sticking point for other agreements.

### Bosworth resigns from wage council

By Our New York Staff

Ferry Bosworth, a ruffled feather in the fight against inflation.

### Foreign investment welcomed by Commerce Department

BY STEWART FLEMING IN NEW YORK

THE FEDERAL Government is adopting an increasingly positive attitude towards foreign investment in the U.S., Mr. Frank Weil, Assistant Secretary of Commerce for Industry and Trade at the U.S. Department of Commerce, told a Financial Times conference in New York yesterday.

Mr. Weil said that official policy was neutral towards inward investment, because the U.S. did not want to get into a bidding contest for foreign investment by competing with other nations in offering subsidies.

Inducements

He suggested that it was a mistake for individual States to compete with each other by offering inducements to foreign investors, since this only reduced the aggregate benefit of new investments. Congress had looked askance at such competition before and would do so again if it was carried to excess, he said.

wards a more open door, non-discriminatory policy towards foreign investment than had traditionally been the case.

One factor clearly influencing the Federal Government's attitude is the evidence that the scale of foreign investment in the U.S. in relation to the total economy is relatively small in spite of rapid growth over the past four years.

Growth

Mr. Weil conceded, however, that as a result of this growth there is a growing interest in the issues raised by foreign direct investment and the beginnings of a public policy debate on these issues.

Earlier in the day Mr. Edward L. Palmer, chairman of the executive committee of Citicorp, the second largest U.S. bank, argued forcefully that the city fulfilled four criteria to attract the most talented managerial and professional people, should have the expertise to develop a long-term corporate strategy, must be a global financial centre and must be itself a major market.

Mr. Palmer said that New York had been a showcase for the problems of older cities in recent years, with manufacturing employment, for example, declining 50 per cent in the past 20 years as industry shifted.

But he said that this was not the first time the city's industrial mix had changed and that as it declined as a manufacturing centre it was growing as a world financial and services centre.

**FINANCIAL TIMES**

World-wide Investment in the U.S.

**CONFERENCE**

Full details of the Goodrich and Unroyal agreements were due to be published late yesterday but in outline they look to be rewarding victories for the Rubber Workers Union. The settlement with Unroyal, which has been on strike since May 9, is remarkable because it includes a letter from the company apologising for its public denials that a tentative agreement was reached on April 18. The URW proclaimed an agreement on that day which the company subsequently denied existed largely because of Administration objections that it breached the guidelines.

### Public sector jobs cut

BY VICTOR MACKIE IN OTTAWA

ABOUT one-third of the 60,000 jobs the new Canadian Government hopes to trim from the public service pay-roll over three years, will be achieved through disbanding Crown corporations and returning them to the private sector, Mr. Sinclair Stevens, Treasury Board president, said yesterday.

Mr. Stevens' comments follow meeting last week with Mr. Andrew Stewart, president of the 180,000-member Public Service Alliance of Canada.

### Islanders riot

MR. PATRICK JOHN, Prime Minister of Dominica, said he would convene the Caribbean Islands' Parliament yesterday after a weekend of unrest and the resignation of the four remaining members of his Cabinet. During the weekend riots against Mr. John's rule a number of public buildings were set on fire.

Mr. Stevens' comments follow meeting last week with Mr. Andrew Stewart, president of the 180,000-member Public Service Alliance of Canada. The Minister acknowledged union concern about how the cuts would affect English and French speaking, and male and female employees. The Government would keep these problems in mind, he added.

### Charter stock sale

American Financial Corporation has terminated discussions with an undisclosed party concerning the sale of its Charter Company warrants and preferred stocks, AFDJ reports from Cincinnati. American Financial's warrants exercisable into 1,350,000 shares of Charter common and preferred convertible into an additional 1,250,000 common shares.



# The people with new ideas have always sought out the people with new ideas in insurance.

We live in a world which has moved from being amazed by the steamship to taking a half million ton super-tanker for granted.

At Alexander Howden we take great pride in not just keeping up with this frenetic expansion but thinking ahead. To handle the complex insurance and

reinsurance needs of this ever changing and growing world demands a flexible approach. The Alexander Howden approach. The ability to use the practices and skills of years to provide fresh solutions. The energy to take a problem and treat it as a challenge.

It takes real teamwork, great skill and attention to detail to provide the right protection at the right price. But perhaps, more than anything, it takes creative flair.

That's the Alexander Howden approach, because we know that by thinking ahead, we've kept ahead.

# ah Alexander Howden

Alexander Howden Group Ltd. 22 Billiter Street, London EC3M 2SA. Telephone 01-488 0808. Telex 88217L

OVERSEAS NEWS

WORLD TRADE NEWS

Syria and Iraq nearer unity

BY PATRICK COCKBURN IN BAGHDAD

SYRIAN AND Iraqi leaders appeared yesterday to have reached general agreement on uniting their two countries after three days of talks in Baghdad.

President Hafiz al-Assad of Syria, and President Hassan al-Bakr of Iraq, along with the strongman of the Iraqi Government, Mr. Saddam Hussein, have been meeting privately to discuss a formula for uniting the Baath Party.

This aspect is considered to be the crucial test for any real unity. Baghdad and Damascus are ruled by the two wings of the Baath Party which, following their division in 1966, have made ferocious attacks on each other until recently. The Syrian and Iraqi leaders are aware that the failure of



President Assad of Syria (left) and President Bakr of Iraq.

previous attempts to unite ensure that the current moves will be greeted with some cynicism in the Middle East. But previous divisions have been largely overcome follow-

ing the Camp David accords between Egypt and Israel. Syria badly needs a powerful ally to replace Egypt, while the Iraqis have moved away from the isolated intransigence of

previous years towards better relations with the more conservative Arab states, notably Saudi Arabia.

The was exemplified by the Baghdad summit which created a common front against Egypt. The Iraqis are also increasingly worried by developments in Iran. The local press in Baghdad gives increasingly unsympathetic treatment to Ayatollah Khomeini.

Whatever the cosmetic developments in which a unity agreement is wrapped, the alliance of Syria and Iraq does create a common front on Israel's northern frontiers stretching from the Mediterranean to the Gulf.

Together the states have a population of 20m and field armed forces with a strength of some 400,000. There is a possibility that Iraqi army divisions will be stationed in Syria—a development which will be closely watched by diplomats.

Peaceful start to Ghana election

By Mark Webster in Accra

GHANA'S first general election in a decade promised to be a peaceful affair yesterday with soldiers confined to barracks and politicians resting after six months of campaigning. Electoral officials were predicting a high turnout for the elections which many had feared would not take place after the coup which toppled the military regime of General Fred Akuffo two weeks ago.

But Flight-Lieutenant Gerry Rawlings, chairman of the Armed Forces Revolutionary Council which took power, has promised that the military will not interfere with the elections. In a broadcast he also said the hand-over of power to a new civilian Government would take place not later than October 1, three months later than originally planned.

The delay is to give the army time to complete their "house-clearing" operation aimed at rooting out corruption which is rampant among the military and the civilians. As part of this operation, Lt-Gen. Ignatius Achepong, the former Head of State, was executed on Saturday.

Soldiers were far less evident than usual yesterday as voters queued to cast their votes. As well as being crossed off the electoral register they had their forefingers marked with indelible ink to prevent anyone voting twice. Strict security will be in operation when the votes are counted according to the electoral authorities.

A policeman is on duty at each of the country's 20,000 polling stations and the police will supervise the counting of votes. Results will be slow to come from some of the regions because of the distances involved and poor communications. First indications of who has won the country's Tuesday night at the earliest.

Voters have a choice between six main parties which have fielded nearly all of the 900 candidates competing for 140 Parliamentary seats. Each of the main parties has also put up a candidate for the President in the four people standing as independents. Voting patterns are most likely to be dictated by the personalities involved in the presidential poll and by the reputation of Mr. Victor Owusu, the People's National Party's Mr. Hilar Limann and the United National Convention of Mr. "Willie" Ofori-Atta.

Khomeini defies critics of his constitution

BY ANDREW WHITLEY IN TEHRAN

AYATOLLAH KHOMEINI, Iran's unofficial Head of State, is defying his domestic critics among liberals and ethnic minorities and will press ahead with a draft constitution for the Islamic Republic drawn up by his aides.

The Government yesterday released for public debate the long-delayed draft. It was unchanged from the version published unofficially last Thursday, which attracted considerable criticism from minority leaders and Tehran intellectuals.

Announcing the constitution at a Press conference, Dr. Yadollah Sahabi, Minister of State for Revolutionary Affairs, confirmed that there was no question of granting regional autonomy to the minority races, who together make up more than half the Iranian population. He said they would be given

Israeli pressure annoys EEC

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

A DIPLOMATIC row is imminent over attempts by the Israeli Government to press the European Commission into slitting its planned official delegation to Israel in Jerusalem instead of in Tel Aviv.

The Israeli Government has angered officials in Brussels by indicating that unless the mission is set up in Jerusalem, the EEC's future emissary and his staff may be denied normal diplomatic privileges.

The Israeli foreign ministry sent a note to the Commission late last week formally authorising establishment of the delegation. But it pointedly failed to answer a routine request by the Commission that its representative be accorded diplomatic status.

The Israeli demands are considered wholly unacceptable in Brussels, and the EEC is

expected to refuse to establish the office if they are maintained. It is pointed out that even if the Commission were to acquiesce, the move would be strongly opposed by many member Governments.

A move to recognise Israeli claims over Jerusalem could seriously damage EEC relations with Arab countries. The Commission already has delegations in Rabat, Algiers and Tunis and hopes to set up missions in Cairo and Damascus soon. The decision to establish a delegation in Israel, was taken about nine months ago and a chief representative, of Dutch nationality, has already been designated.

David Lennon in Jerusalem adds: At present only 11 of the 33 embassies and legations in Israel are located in Jerusalem and all but one of these represents south and central American Governments.

Lebanese army moves into Christian Beirut

LEBANESE regular troops yesterday took up positions in two suburbs of Beirut which have been closed to the authorities for four years.

More than 1,000 troops of the restructured Lebanese army were deployed in Ain el-Rummaneh and Furn el-Chebbak, two Christian quarters in the south-east of the capital, replacing Right-wing militias. The operation was carried out smoothly in co-operation with Syrian troops serving as peace-keeping Arab deterrent force.

Right-wing leaders recently asked President Elias Sarkis to send the troops in after their militias fought each other for four days with mortars, rockets and heavy machine-guns. The battles, involving the militia of the Phalange party and that of the National Liberal Party

of former President Camille Chamoun, left 12 dead and twice that many people wounded. The two suburbs have been the scene of repeated unrest since the civil war in 1975 and were considered as state within a state, with the Christian militia's ruling supreme.

Deployment of the army will ensure the reopening of the south-eastern section of the main Beirut-Damascus highway and make traffic between the predominantly Christian part of the capital and Moslem quarters easier.

Dr. Selim al Hoss, Prime Minister of the caretaker Government, said the army deployment would strengthen and consolidate the authority of the state. He submitted the resignation of his Cabinet about a month ago to make way for a new Government of national reconciliation.

N.Z. considers further oil conservation moves

BY DAJ HAYWARD IN WELLINGTON

NEW ZEALAND'S stocks of diesel oil in port storage tanks is down to 13 days' supply. According to Mr. William Birch, Minister of Energy, the situation is serious.

Mr. Robert Muldoon, the Prime Minister, expressed the belief that the diesel oil could reach NZ\$25 (£12.75) a barrel by the end of the year. Mr. Muldoon called on industrial countries to combine to conserve world supplies. "If larger users show restraint and get consumption back into line with production, this would help supplies," he said.

New Zealand's supply problem has been worsened because some shipments which would normally have come here have been diverted to the U.S. which was prepared to pay a higher price. New Zealand has consistently refused to pay above the official world price for oil

and the Government believes all countries would benefit if major users tried to work together. Supplies have also been affected by a maritime strike tying up coastal tankers. Commercial users of diesel and fuel oil have already had supplies cut by 20 per cent of last year's consumption.

Some incentives may be offered in the Budget due on Thursday for companies switching from oil to liquid petroleum gas. Despite the closing of petrol stations from Friday until Monday petrol consumption by private motorists has dropped only 2 per cent during the past few weeks and Mr. Birch said the Government has been forced to consider petrol rationing. It wanted to avoid direct rationing for particular attention. He indicated that there would be no concessions to the views of moderate clergymen like Ayatollah Shariat-Madari, who has said he will boycott a referendum on the constitution if a fully-fledged constituent assembly is not set up. Khomeini said such people were "Communists."

Another issue over which renewed trouble is likely is the status, but in practice the constitution notes without elaboration that women will have equal status, but in practice the Government is already moving many professional women out of senior administration posts.

Sadat moves on new Cabinet

By Roger Matthews in Cairo

THE EGYPTIAN government resigned yesterday to clear the way for the formation of a new Cabinet that is expected to reflect the overwhelming victory of President Anwar Sadat's National Democratic Party in the general election and new conditions created by the signing of the peace treaty with Israel.

Mr. Sadat said Dr. Mustapha Khalil, the Prime Minister, yesterday discussed the composition of the new cabinet, due to be announced later this week. After the talks it was confirmed that Mr. Khalil would retain responsibility for Foreign Affairs in addition to being prime minister. There had been speculation that Mr. Khalil would drop the Foreign Ministry concentrate more on the country's pressing economic problems.

Egypt's difficulties have been exacerbated by the partial Arab economic and political boycotts that followed the signing of the peace treaty with Israel.

Malaysians 'will not shoot'

KUALA LUMPUR

Malaysia will take firm measures to prevent a further influx of Vietnamese refugees, but these measures do not include shooting them, Datuk Hussein Onn, the Prime Minister, said yesterday. He was replying to Dr. Kurt Waldheim, the United Nations Secretary-General, who, in a message, had expressed alarm that the Malaysian Government was adopting a tougher refugee policy and intended to shoot any "hot people" entering Malaysian waters.

"I wish to state that our measures to prevent further inflow of the boat people do not include shooting them," Datuk Hussein said. But he added that any boat carrying Vietnamese refugees that tried to enter Malaysian waters or attempted to land would be towed away after it had been given help to proceed on its journey elsewhere, Reuter

Canada bid to buy Iran F-14s collapses

By Victor Mackie in Ottawa

CANADA'S Defence Minister Allan Rock said yesterday that negotiations he initiated to purchase second-hand F-14 fighter aircraft from Iran have collapsed.

Mr. Rock said the Canadians at first indicated they were interested in selling the top-rated American fighter aircraft to Canada but that after Prime Minister Joe Clark declared his Government's intention to transfer the Canadian Embassy from Tel Aviv to Jerusalem, the deal fell flat.

"We just aren't getting any answers from the other end any more," said Mr. Rock. "They obviously now don't want to do a deal with us."

The Minister said he now believes he will wind up with the same two final aircraft the previous Liberal Government selected for the CF-30 fighter aircraft competition.

He said he expects to complete his review of the fighter programme before the end of June. The previous Cabinet under Pierre Trudeau chose the McDonnell Douglas F15A and the General Dynamics F16 for final negotiations. A decision on the winning aircraft was expected in October but will be delayed two or three weeks by the new Government's review.

Mr. Rock said after assuming office as Defence Minister that he was going to try to purchase 78 second-hand F-14s from Iran which had been informed were available for \$10m to \$12m each.

The new Government's plan to shift the Canadian Embassy in Israel to Jerusalem aroused angry Arab reaction last week including threats of retaliation.

Canadian businessmen have warned the new Cabinet that they are in danger of losing billions of dollars in trade. However, Trade Minister Robert de Cotigny said yesterday he does not believe Canada will lose much trade with the Arab nations.

France to support new A-300 versions

By Terry Dodsworth in Paris

THE FRENCH Government has promised financial support for the development of the Airbus range of aircraft manufactured by Airbus Industrie, the consortium mainly owned by the Aerospace Industries of France, West Germany and the UK.

The most likely contender for development will be a four-engine, 200-seater airliner with a range of about 6,000 miles. Although a smaller aircraft has also featured in Airbus Industrie's plans, it now seems that the four-engine model is being given priority. M. Bernard Lathiere, chairman of the group, said at the Paris Air Show that development work was now going ahead on this project.

The Government's support for the company has been pledged following increasing evidence during the last few months of the success of the first two Airbus models, the A-300 and A-310. Airbus Industrie has now started to repay loans from member shareholders, although it is expected to be several years before the aircraft breaks through into profit.

In his visit to the show M. Raymond Barre, the French Prime Minister, made it clear that Airbus Industrie would get new funds for an appropriate project but he said that the company must concentrate on serving clearly identified needs while developing new technology and reducing costs of production.

AIRCRAFT FURNISHING. Manufacturers of aircraft passenger seats, have announced the signing of new contracts worth in excess of £5m. The most significant contracts are to supply seats for the A-300 Airbus for Malaysian Airline System and Philippine Airlines. These are the first contracts for Airbus seats to be awarded to a British aircraft seating company.

U.S. fast food equipment drive

Financial Times Reporter

FIFTY U.S. manufacturers of takeaway food and catering equipment are mounting an exhibition of their products in the UK in an attempt to increase U.S. penetration of the growing UK market for fast food equipment.

The exhibition, opened yesterday by Mr. Kingman Brewster the U.S. Ambassador, and Sir Charles Forte, executive chairman of Trust House Forte, has been organised by the U.S. Government's export promotion agency in Britain.

The UK market for this type of equipment, estimated to be worth over £12m a year in 1977, is expected to be worth £25m in 1983. The exhibition, called USACATER '79, features the latest fryers, grills, ovens, broilers, freezers, coffee machines, ice-cream machines, take-away food packaging, dishwashers, cash registers and preparation, handling and display equipment from the U.S. market. It is on at the West Centre, Hotel until Friday.

CLOTHING INDUSTRY UK scales down opposition to outward processing

BY RHYS DAVID, TEXTILES CORRESPONDENT

BRITAIN'S CLOTHING industry is dropping its outright opposition to outward processing—the export of fabric for re-import as garments—but is asking the Government to press the EEC for tight restrictions covering the practice.

Britain has been the odd man out in Europe, refusing to take its share of outward processing quotas established last year by the EEC with its Mediterranean associates. It has insisted instead that goods imported in this way must be treated as part of overall quotas and not as a separate and additional category.

The last Labour Government took this stand under strong pressure from the clothing industry which argued that outward processing could lead to the transfer of the industry to the Mediterranean basin. The industry was also concerned that the EEC was pressing ahead with the creation of quotas before any regulations covering the practice had been drawn up.

The softer line now being advocated by the British Clothing Industry Council for Europe (CICE) is in part a bowing to the inevitable given the extent to which some EEC members,

notably West Germany and the Netherlands, are already using outward processing.

The industry is now concerned that unless it agrees to participate UK manufacturers will be put at a competitive disadvantage against their Continental rivals who can average price their goods by mixing in lower cost outward processed goods with their own higher cost production. It is also concerned at the way the practice is now being adopted in the absence of EEC guidelines.

At the same time the EEC Commission has been pressing the UK to decide whether or not it wants to take up a share in quotas available for 1979, it will redistribute them to other countries if Britain declines to do so.

Some of the leading outward processors, including Portugal, are also refusing to go along with the British insistence that outward processed goods should be included within overall quotas. They have indicated that they will fill the entire quota with non-outward processed goods, thus denying UK manufacturers access to their cheap making-up facilities.

The UK clothing industry's

new line—drawn up in the face of all these pressures—is due to be discussed at a meeting with Government officials later this week. The industry is hoping that by agreeing to participate Britain can influence the share of regulations now being prepared in Brussels and that these will incorporate a number of safeguards.

The suggestions of the Clothing Industry Council for Europe are that the practice should be open only to bona-fide manufacturers and should exclude importers, merchants, and re-sellers (with certain exceptions). It is also suggesting that manufacturers should not be allowed to outward process more than the equivalent of 30 per cent of their previous year's production. Safeguards against market disruption caused by free circulation of goods are also urged.

The Organisation is also calling for the clothing industry to be consulted on the countries for which outward processing facilities are to be introduced. Initially it believes the list should include Cyprus, Malta, Portugal and Spain with other countries being added as necessary.

Fiat-Poland car accord ratified

BY RUPERT CORNWELL IN ROME

FIAT, ITALY'S largest private industrial concern, and Poland yesterday ratified a far-reaching agreement under which the Polish motor industry will produce two new vehicles, in co-operation with the Turin-based manufacturer.

The deal, signed in Poznan by Sig. Vittorio Ghidella, managing director of Fiat's automobile division, and Mr. Edward Pietrzak, his opposite number at Pol-Mot, the Polish industry's foreign trade body, provides for the assembly of a new small cylinder car in Poland from 1981.

The new vehicle will be between the bottom of the range 126 model, and the medium

powered Fiat-derived 125P already produced in Poland. Production, planned at between 30,000 and 50,000 units per year will go for the domestic Polish market.

Meanwhile the heavy vehicle plant at Poznan will produce a new multi-purpose vehicle with versions for both agriculture and commercial use, jointly designed with Fiat. It will be fitted either with Polish-produced petrol engine or diesel engine manufactured in Italy.

The arrangements, the value of which is put at \$700m a year, are the cornerstone of a ten-year co-operation programme between Fiat and Poland, which forms part of the Turin group's aim of rationalising and inte-

grating its international activities to withstand increasingly fierce foreign competition. At the same time the Polish industry will supply unspecified numbers of the 126 model which it already produces, according to market requirements, as well as the new commercial vehicle to Fiat dealers in Europe and certain other countries.

The agreement also allows Fiat to supply the Polish market with finished models not built in Poland. Production of a new family of 1600, 1800 and 2000 cc engines to be mounted on Polish-built cars will be put in hand during 1980 and 1982, as laid down in previous agreements between the two partners.

NUCLEAR PLANT Marcos delay tests U.S. ruling

BY DANIEL NELSON IN MANILA

THE WESTINGHOUSE nuclear plant in the Philippines may become a test case for President Carter's ruling that federal agencies must analyse the environmental consequences of new projects in foreign countries.

Critics of the \$1.2bn (£585m) project are elated by President Ferdinand Marcos' weekend decision to stop work on the reactor until a two-man commission into the safety aspects has given it the all-clear.

In fact, the construction programme was jeopardised in March because of U.S. State Department hesitation in approving the project and delay by the U.S. Nuclear Regulatory Commission (NRC) in approving shipment of essential components.

In late 1977 the State Department ruled that the reactor export was not against U.S.

interests. But last July it shifted its position and said it was reserving a decision until it had considered an analysis of the reactor site and design to be carried out by the International Atomic Energy Agency.

The Philippine Government apparently has seen the IAEA report but the contents have not been disclosed. The NRC is considering two subsequent Westinghouse export licence applications in connection with the project. One is for the export of reactor components and the other is for fuel, including enriched uranium for the initial core.

Opponents of the scheme—which involves Export Import Bank loans to the Philippine Government of \$944m—are continuing to cite the alleged danger of an earthquake and the problems of disposal of nuclear waste. But their lawyers in the U.S. are pursuing a new tack,

that of forcing delay through use of the legal ambiguities surrounding President Carter's ruling.

Westinghouse argues that Washington has no right to withhold export approval on the basis of environmental considerations in another country. The outcome of the argument will have ramifications for the entire industry, as well as for other major projects involving U.S. companies overseas.

Cancellation or delay in the project could also cause a contractual tangle, with Westinghouse claiming that it is not responsible for delays in the shipment of components caused by U.S. agency decisions.

Sweden, Norway form tanker shipping pool

BY WILLIAM DULLFORCE IN STOCKHOLM

TWO SWEDISH and two Norwegian companies are forming a shipping pool to operate 11 350,000-ton tankers. All the vessels were built at the shipyard in Malmo, Sweden, between 1975 and 1978, and it was the shipyard's failure to obtain full payment for the vessels that contributed to its being taken over by the State last year.

Five of the tankers are owned by the Salen shipping company, one by Kockum, three by Lars Krogh and two by the Norwegian ship-owner Halvdan Ditlevsimon. The pool will be known as the Scandinavian Tanker Pool (STP) and will be managed by Salen from Stockholm with chartering operations handled from both Stockholm and Oslo.

The agreement to form the pool was signed last week and will come into force as soon as it has been formally approved by the Swedish Ships' Credit Guarantee Board, which

11 sister ships adding up to close to 4m tons the STP is expected to be a powerful force on the tanker market.

At present nine of the vessels are operating, one on a 12-month charter and eight on the open market. The other two are laid up.

Sasebo Heavy Industries has received orders for two 35,000-deadweight ton tankers from Comet Tanker and New Carevel, both Liberian-registered owners, reports Reuter from Tokyo. Sasebo did not disclose contract prices, but said the tanker for Comet will be delivered in November and the one for New Carevel in July, 1981.

A total of 9,436 ocean-going vessels, arrived in Hong Kong last year, handling 25.7m tons of cargo, reports AP-DJ from Hong Kong. Containerised cargo represented 43.6 per cent of the cargo, compared with 43.9 per cent for the previous year. The number of vessels calling in rose 6 per cent from 1977.

Swiss winter tourism falls to 10-year low

By John Wicks in Zurich

THE PAST WINTER season was the worst in 10 years for Swiss tourism.

Figures published by the Government in Bern for the period from November 1978, to last April show a 10 per cent decline in the bednights total in comparison with the 1977-78 winter season to some 12.1m. While domestically-generated tourism showed a slight increase of about 0.2 per cent over the period, bednights occupied by foreign visitors slumped by 18 per cent, in spite of a sharp rise in the number of Swiss tourists.

This development was attributed both to the high exchange rate value of the Swiss Franc and to the unsatisfactory weather and snow conditions during the past winter. While the decline in bednights was relatively small for city hotels, there was a marked drop in such winter-sports areas as Grisons, the Valais and the Bernese Oberland. Substantial declines were recorded in bookings by Germans—today Switzerland's most important tourists; nationality—but also by North Americans, French tourists, Belgians and the Dutch.

Swiss consultants, Holderbank, have won a \$1.5m contract for the expansion project at the Jordan Cement Factories Company's plant at Fuhels, north-west of Amman. Holderbank will carry out feasibility studies, and then prepare designs and tender documents for the 2,000 tons per day sixth kiln, as well as supervising construction and commissioning

Vertical text on the left margin: M ch Ex co Re m fo to w st bt pe sc m lr h

Handwritten notes on the left margin: 10000000000

Iveco for efficient road transport

**IVECO**



# Hands and Fiat

It may seem strange to find that in Europe's most highly automated commercial vehicle factories, the most valued tool is the human hand.

But that's how we reconcile advanced engineering with traditional values.

At the million-odd square metre Fiat factory in Turin, opened in 1957, nearly 2000 of the 9000-strong workforce exclusively use their hands. On painstaking processes. Such as hand finishing paintwork, fitting upholstery and quality-checking chassis and cabs.

It is, of course, the volume production of components to fine engineering tolerances that frees us to invest so highly in human skill. And in the conditions which coax the best those hands can produce.

In that way we leave no room for the 'Friday afternoon' truck. When it comes to consistent quality of product, Fiat win hands down.

**FIAT TRUCKS**  
make it simple

Fiat Commercial Vehicles Ltd., 24 Concord Road, London W3 0TH. Telephone: 01-992 5321.

UK NEWS

Government planning State shares offer

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE GOVERNMENT is drawing up plans to expand employee share ownership by offering shares in State-owned industries to workers on preferential terms. This will follow a major review of the potential for inviting private equity into State-owned businesses...

General Election manifesto, was confirmed yesterday by Mr. James Prior, the Employment Secretary, when he said that the Government was more interested in this form of employee participation than in the last Government's plans for "worker-director" legislation.

One of the first announcements from the Industry Department is likely to concern the future of the merchant ship-building yards of British Shipbuilders, some of which face the threat of closure. Mr. Adam Butler, a Minister of State for Industry, is shortly to visit shipyards as part of a tour of the regions conducted by all Ministers in the Department.

Midland Bank to offer mortgages

By Michael Lafferty, Banking Correspondent

MIDLAND BANK is entering the home loans market after similar moves by Lloyds and Williams and Glyn's. The Midland scheme, like those of the other clearers, is designed for higher income customers. Loans ranging from £20,000 up to £150,000 are offered for periods up to 25 years.

Soviet ship 'incursions' cause little damage

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

WESTERN SHIPOWNERS, who have mounted a big campaign in recent years against the growth of the Soviet merchant shipping fleet, have so far suffered real damage on only one shipping route. This is the conclusion of an internal Department of Trade study, which was launched to sort out fact from fiction in the Russian merchant shipping threat.

However, in terms of liner vessels (general cargo ships operating on fixed routes) the report says the Russians' fleet has a capacity of 5m deadweight tons, which is double the maximum capacity required for the country's own cargoes. These surplus ships are competing for business with western lines by offering cut-price rates, which western shipowners consider are based on unrealistic costs tolerated by the Soviet authorities in the interests of earning hard currency.

Here, the report says, the growth in rail traffic has merely matched total trade growth between the two regions, although shipowners have recently been forced to cut some rates to match those charged by the railway. The only route on which the Soviets can be said to have done real harm to western interests, the report concludes, is in trade between N. Europe and East Africa.

Lloyd's broker may face suit

BY JOHN MOORE

SEVERAL LLOYD'S underwriting syndicates, led by H. G. Chester's marine syndicate Number 65, plan to sue C. E. Heath, a major insurance broker in the market. If the action proceeds it will be the first time that Lloyd's underwriters have sued Lloyd's brokers.

Turnover in unlisted company shares grows under rule

BY CHRISTINE MOIR

TURNOVER is growing in the shares of unlisted companies where dealings are done under a Stock Exchange "grace and favour" rule. Last week, total turnover in this market, covered by Rule 163(2), was £3.1m. By comparison, total turnover for last June was £2.5m.

Mr. Charles Eglinton, chairman of the sub-committee and one of the two council members responsible for the Exchange's quotations department, said the investigation is in its early stage. A full report, originally planned for the summer, could now take longer. The committee's brief is to establish an orderly framework in which trading in unlisted companies can be encouraged, and to prevent false or dishonest dealings.

getting a market value for their company without losing control of 25 per cent of the equity and providing a marketplace for companies which are too small for full scale dealing. The Stock Exchange is worried, however, that the route also bypasses the listing agreement regulations, particularly on disclosure, and opens a market for companies with no visible track record.

Inflation accounting 'urgent'

By Michael Lafferty

THE NEW inflation accounting system should be implemented quickly, Mr. Donald Grant, president of the Scottish Institute of Chartered Accountants, said yesterday. He said that the Chancellor in his Budget speech last week had issued "an invitation—if not a challenge or a veiled threat" to the accountancy profession to co-operate with the Inland Revenue in finding a basis for making inflation-adjusted accounts suitable for taxation.

British Aluminium to more than double aerospace alloys output

BY ROY HODSON AND LYNTON MCLAIN

BRITISH ALUMINIUM is more than doubling its production of aerospace alloys in the coming year to seek a dominant position in the booming European aerospace market, together with major growth in world sales. Traditionally the North American aluminium companies have provided a large proportion of the metal needed by European aerospace companies. But the sudden surge in demand by the international aerospace industry is causing shortages of the metal.

Further investment in plants and marketing backup will be made in the aerospace materials sector to catch the present floodtide of demand. "We want this business to stay with us," said Mr. Keith Rugg, the group's marketing director, who has assumed special responsibility for aerospace business. British Aluminium became wholly British company again last September when Reynolds Metal of the U.S. sold its 50 per cent holding for £45m.

It is likely that the company will now consider further capital investments in new extrusion facilities at a British works for increasing output of aerospace tubes, extrusions and bars. Such a plant would probably be sited at Warrington, Redditch or Distington in Cumberland. British Aluminium is clearly aiming to become a dominant supplier of aerospace alloy sheet. Alcan's activities in the British market are complementary, as that company makes the heavier aerospace plate.

Stocken joins Barclays

BY MICHAEL LAFFERTY

MR. OLIVER STOCKEN, a former head of corporate finance with the merchant bank, N. M. Rothschild and Sons, is to join Barclays Merchant Bank as a director with specific responsibility for the corporate advice division. For the past two years Mr. Stocken has been an executive director of Esperanza Trade and Transport, the international services group in which Rothschild Investment Trust and Guinness Peat have important stakes. He is a chartered accountant, having qualified with Arthur Andersen.

The present head of corporate advice at Barclays is Mr. Patrick Moorsom, who now takes over responsibility for international co-ordination of merchant banking services.

Miners call for use of waste heat

By John Lloyd

MINEWORKERS' leaders are calling for a radical change in the UK's energy policy. The call for greater use of waste power station heat came from Mr. Joe Gormley, president of the National Union of Mineworkers, and Mr. Lawrence Daly, the NUM's general secretary. Their suggestion coincided with a meeting of the District Heating Association, which concluded that 25 per cent of Britain's heating needs could be met by waste power station heat. About two-thirds of the energy now entering power stations is wasted at present.

BNOC in £2.5m oil industry computer development deal

FINANCIAL TIMES REPORTER

INTERNATIONAL Computers Limited (ICL) and the British National Oil Corporation (BNOC) have signed a £2.5m agreement to develop large computer systems for the oil industry. BNOC has bought an ICL 2976 computer and operating systems which, it intends, will be set up to do work which BNOC at present subcontracts to a computer bureau. The idea is that a team of ICL programmers will gain experience of systems needed in the oil industry and BNOC expected to build upon their existing contracts to exploit this potential to the full, he added.

Manchester to build £14m world ice skating centre

BY OUR NORTHERN CORRESPONDENT

A NATIONAL ice-skating centre and indoor stadium costing £13.8m is to be built by Manchester City Council on a site close to the now disused Central Station. The project, which will be backed by a £5m Sports Council grant, is intended to meet the need in Britain for an international class centre comparable with those in many Continental cities. Work will start in 1981 and is expected to take two years to complete. The Manchester authorities feel that the scheme will also help to bring in more visitors to city centre shops, hotels and restaurants. The Central Station, close to the proposed new ice arena, is due for redevelopment as an exhibition centre. Under the scheme now agreed, Manchester will make the necessary land acquisition for about £500,000. The centre will provide two rinks of Olympic standard, one of which will be used for international skating championships and ice hockey matches. The other rink will be devoted to training young skaters and British ice hockey players. The National Skating Association, the governing body for amateur skating events, has agreed to arrange for major events, including national championship competitions and ice galas, to be held in the centre regularly.

One task will be to adapt applications programmes written by consultants and independent software companies, at present designed to run on International Business Machines computers, so that the programmes will be able to run on ICL machines. An ICL official said: "It is expected that the export potential for the hardware and associated systems will be considerable. ICL and BNOC expected to build upon their existing contracts to exploit this potential to the full, he added. The project is expected to take about two years, during which the expenditure on software and hardware could rise to between £4m and £5m. PLESSEY Avionics and Communications is planning a £2.5m expansion of its plant at West Leigh, Hampshire, with a new factory which will employ 150 people. The plant makes radio relay, high frequency radio receivers, tactical and military radios, and helicopter altimeters. It employs 1,000 people.

The meeting asked the Government to support combined heat and power schemes. It said the introduction of such schemes "would require a re-alignment of national energy plans." It is estimated that heat and power schemes offer savings four times greater than those projected for solar heating. The Central Electricity Generating Board, which has examined the idea, has pointed out the high cost of providing the necessary infrastructure for viable schemes.

Kirkby 'blockade' action

BY JOHN ELLIOTT

TWO SHOP stewards who were directors of the former Kirkby Manufacturing and Engineering workers' co-operative on Merseyside have been served with a writ aimed at removing an alleged blockade of the co-operative's machinery sold to the Myson group two weeks ago. They are Mr. Jack Spriggs and Mr. Dick Jenkins. They appear in the High Court in London this morning as a result of legal action initiated by Henry Butcher, auctioneer, aimed at recovering four spot-welding machines used to produce central beating radiators before the co-operative went into liquidation two months ago. The machines were sold for £25,000 at a public auction to Myson, which produces central beating equipment. Shortly after the sale the auction was suspended after an unnamed U.S. company had expressed interest in acquiring equipment at the plant. Myson wanted to remove the machines, but then agreed to negotiate with the American company to re-sell them. Negotiations started at £75,000, which in its view was the correct value of the machinery. Laetr Myson said it was consulting its solicitors to see what steps could be taken to collect its purchases.

Manchester to build £14m world ice skating centre

BY OUR NORTHERN CORRESPONDENT

A NATIONAL ice-skating centre and indoor stadium costing £13.8m is to be built by Manchester City Council on a site close to the now disused Central Station. The project, which will be backed by a £5m Sports Council grant, is intended to meet the need in Britain for an international class centre comparable with those in many Continental cities. Work will start in 1981 and is expected to take two years to complete. The Manchester authorities feel that the scheme will also help to bring in more visitors to city centre shops, hotels and restaurants. The Central Station, close to the proposed new ice arena, is due for redevelopment as an exhibition centre. Under the scheme now agreed, Manchester will make the necessary land acquisition for about £500,000. The centre will provide two rinks of Olympic standard, one of which will be used for international skating championships and ice hockey matches. The other rink will be devoted to training young skaters and British ice hockey players. The National Skating Association, the governing body for amateur skating events, has agreed to arrange for major events, including national championship competitions and ice galas, to be held in the centre regularly.

One task will be to adapt applications programmes written by consultants and independent software companies, at present designed to run on International Business Machines computers, so that the programmes will be able to run on ICL machines. An ICL official said: "It is expected that the export potential for the hardware and associated systems will be considerable. ICL and BNOC expected to build upon their existing contracts to exploit this potential to the full, he added. The project is expected to take about two years, during which the expenditure on software and hardware could rise to between £4m and £5m. PLESSEY Avionics and Communications is planning a £2.5m expansion of its plant at West Leigh, Hampshire, with a new factory which will employ 150 people. The plant makes radio relay, high frequency radio receivers, tactical and military radios, and helicopter altimeters. It employs 1,000 people.

The meeting asked the Government to support combined heat and power schemes. It said the introduction of such schemes "would require a re-alignment of national energy plans." It is estimated that heat and power schemes offer savings four times greater than those projected for solar heating. The Central Electricity Generating Board, which has examined the idea, has pointed out the high cost of providing the necessary infrastructure for viable schemes.

Kirkby 'blockade' action

BY JOHN ELLIOTT

TWO SHOP stewards who were directors of the former Kirkby Manufacturing and Engineering workers' co-operative on Merseyside have been served with a writ aimed at removing an alleged blockade of the co-operative's machinery sold to the Myson group two weeks ago. They are Mr. Jack Spriggs and Mr. Dick Jenkins. They appear in the High Court in London this morning as a result of legal action initiated by Henry Butcher, auctioneer, aimed at recovering four spot-welding machines used to produce central beating radiators before the co-operative went into liquidation two months ago. The machines were sold for £25,000 at a public auction to Myson, which produces central beating equipment. Shortly after the sale the auction was suspended after an unnamed U.S. company had expressed interest in acquiring equipment at the plant. Myson wanted to remove the machines, but then agreed to negotiate with the American company to re-sell them. Negotiations started at £75,000, which in its view was the correct value of the machinery. Laetr Myson said it was consulting its solicitors to see what steps could be taken to collect its purchases.

Paular, Empresa Para la Industria Quimica, S.A. U.S. \$20,000,000 Nine Year Loan Guaranteed by Empresa Nacional Del Petroleo, S.A. Managed by CREDIT LYONNAIS BANCO DE LONDRES Y AMERICA DEL SUR MEMBER OF THE LLOYDS BANK GROUP KREDIETBANK (SUISSE) S.A. MANUFACTURERS HANOVER LIMITED BANCO COMERCIAL PARA AMERICA, S.A. Provided by CREDIT LYONNAIS BANCO DE LONDRES Y AMERICA DEL SUR MEMBER OF THE LLOYDS BANK GROUP KREDIETBANK (SUISSE) S.A. MANUFACTURERS HANOVER LIMITED BANCO COMERCIAL PARA AMERICA, S.A. TRADE DEVELOPMENT BANK Agent CREDIT LYONNAIS April 3rd, 1979



A DETAIL from Le Pecheur a la Ligne by Renoir which is the highlight of Sotheby's sale of Impressionist paintings on July 4. It was originally bought for £180 in 1875 at the famous auction at the Hotel Drouot organised by the Impressionists to gain recognition and money. Now it could make more than £500,000 for its owners, Mr. and Mrs. Nigel Brookes. On Saturday the wrong photograph, supplied by Sotheby's appeared over this caption. Sotheby's yesterday held an auction of some very good gold boxes and brought in £392,760 with just 6.1 per cent unsold, writes Anthony Tzornocraft. The top price was £40,000, plus the 10 per cent buyer's premium and VAT which is now an extra 1.5 per cent for a Pierre-Nicolas Quentin de Brosselle gold and enamel snuff box of 1763. A gold and enamel snuff box attributed to Frantz, probably Swedish of around 1755, sold for £33,000. Other good prices were the £23,000 for a Swiss gold and enamel automata snuff box of around 1820; £18,000 for a gold mother-of-pearl and enamel snuff box of 1747; and £17,000 for a French gold enamel and mother-of-pearl aide-memoire of 1748.

Handwritten signature or mark at the bottom center of the page.



# IF A CITROËN CX CAN DO THIS ON THREE WHEELS, IMAGINE HOW SAFE IT IS ON FOUR.



CX2400 Pallas sunroof optional extra.

Remove the nearside rear wheel of the Citroën CX with the engine running and the suspension at its highest setting, and the suspension automatically compensates to keep the car level.

More impressive, the car could now be driven on three wheels.

The practical benefit of all this becomes apparent when considered in terms of everyday driving conditions on the road.

If you had a blow out on any wheel at high speed the self-levelling suspension would allow the CX to continue on course as if nothing had happened.

Remarkable though this may be, the outstanding engineering achievement of hydro-pneumatic suspension is the way it combines an uncommonly smooth and comfortable ride with tenacious road-holding.

An additional contribution to road-holding comes from Citroën's VariPower steering. Extremely light at low speeds, VariPower scores over other power steering systems in that it grows progressively firmer with increasing speed on the open road. It also prevents wheels being deflected by loose stones or uneven surfaces.

The combination of front wheel drive with VariPower steering adds yet further to the car's handling characteristics.

The CX offers all this on one of the most luxuriously appointed range of saloon cars on the road today. It is a spacious car with superbly designed,

cloth upholstered seats that are more comfortable than many a favourite armchair.

When you add it all up, the CX is truly remarkable.

But of course.

How else would you describe a car that can be driven on three wheels?

A selection of the 15 models in the CX range			
Model	BHP	Top Speed	Price
CX2000 Super	102	109mph	£5795.62
CX2400 Super (5 speed)	115	112mph	£6479.58
CX2500 Diesel Super (5 speed)	75	97mph	£6732.48
CX2400 Pallas (5 speed)	115	112mph	£7131.15
CX2400 Pallas (C-matic)	115	111mph	£7335.47
CX2400 Pallas Injection (C-matic)	128	112mph	£7798.92
CX2400 GTi Injection (5 speed)	128	118mph	£7776.50
CX2400 Safari Estate	115	108mph	£6656.49
CX2500 Diesel Safari Estate	75	90mph	£7038.95
CX2400 Familiale	112	108mph	£6778.58
CX Prestige Injection (C-matic)	128	112mph	£10,416.41

Prices include car tax, VAT, and inertia reel seat belts, but exclude delivery charges £83.95 (inc. VAT) and number plates. Prices correct at time of going to press. All Citroën cars have a 12 months unlimited mileage guarantee. Check Yellow Pages for nearest dealer and ask about our Preferential Finance scheme. Please enquire about our Personal Export, H.M. Forces and Diplomatic schemes to: Citroën Cars Ltd., Mill Street, Slough SL2 5DE. Tel: Slough 23808.

COMPAGNIE FINANCIERE DE SUEZ

The Annual General Meeting of Compagnie Financiere de Suez was held in Paris on May 28, 1979, and was followed by an Extraordinary General Meeting.

The following is a translation of the statement made by the Chairman, M. Michel Capitain at the Annual General Meeting...

In any case, it is clear that our best chance of overcoming the difficulties of the present economic situation is to continue to follow, for the common good, the main lines of our policy of stabilisation.

In this context, which combines the promise offered by the wise choice of basic options nationally, and the disquiet caused by the threats hanging over us internationally...

It might have been feared that after forty years of controlled prices this new policy would meet with both resistance from the Administration which to retain its power might empty it of any real content...

In the property sector, things are on the whole improving, the market remains active in the credit field and the rate of sales seems to be picking up.

As regards industrial investments, the position is obviously more varied in view of the fact that the rate of investment has increased its own profits appreciably during the financial year 1978/79.

The employment problem is and will unfortunately remain a cause for concern. There are three contributory factors to the present imbalance: firstly, changes in population, whereby people born in the 1950s and 1960s are starting work at a time when those born during the years of low birth-rate during the 1914 war are retiring...

Our portfolio of stock market securities has appreciated since January by a little over 10%, in spite of the present sluggish tendencies of the Paris and New York stock markets.

UK NEWS

Meter readers use computers in home billing experiment

BY DAVID FISHLICK, SCIENCE EDITOR

DOMESTIC ELECTRICITY bills are being worked out and printed at the spot by meter readers equipped with miniature computers in an experiment just begun in Scotland by the South of Scotland Electricity Board.

Industrialised countries 'face leap in inflation'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE INFLATION performance of the major industrialised countries this year could be the worst since 1973, according to City stockbrokers Phillips and Drew.

Slack growth

Total output in the OECD will probably increase by only 1 1/2 to 2 per cent in 1980 after an expected rise of 3 per cent this year.

CONTRACTS

£750,000 job at Cornish pasty factory for E. Thomas & Co.

Bidding and civil engineering contracts in the West Country worth £2m have been awarded to E. Thomas & Co. a member of the Mowlem Group.

FYE TVT has received a contract from the Independent Broadcasting Authority worth around £250,000. Two specially developed 10 kW UHF television transmitters are to be supplied and installed in British standard 17cm containers.

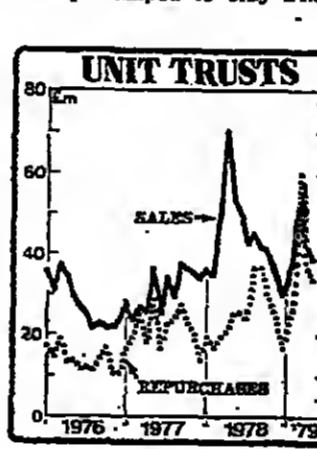
The Report and Accounts were adopted and the distribution of a dividend of 18 francs per share payable as from June 1, 1979 against Coupon No. 36, was approved.



Unit trusts blame fall in receipts on market

By Eamonn Fingleton

THE STOCK MARKET'S disappointing performance following the Conservatives' election victory was blamed yesterday for a fall in the unit trust industry's net receipts from investors.



The industry's sales totalled £39.4m, a fall of £4m on the April figure. Repurchases from investors cashing in their holdings also fell — from £38m to £34.6m — but this was still a considered a disappointing figure.

The Sea Harrier joins the Navy

BY LYNTON McLAIN

THE FIRST production Sea Harrier for the Royal Navy was handed over yesterday. British Aerospace's Dunsford test airfield in Surrey, with its prospect of imminent export orders.

The Royal Navy has ordered 34 of the £2m Sea Harrier and the Indian Government is expected to place the first export contract for six aircraft this summer.

Other Governments, including France and Spain are known to be interested. Spain already has 13 earlier type Harriers and Sea Harrier prospects were discussed this year when Admiral Sir Terence Lowie, the First Sea Lord, met Spanish officials.

The aircraft at the centre of the ceremonies yesterday will join the Navy's first new command aircraft, next summer. In the meantime, it will be from the Navy's first vertical take-off trials unit at Yeovilton Somerset.

Squadrons of Sea Harrier will join Illustrious and the new Ark Royal command ship in the 1990s and aircraft will also be assigned to Heron after its six-jump take-off is fitted next year.

BL's Honda contract 'ready by September'

BY LISA WOOD

THE CONTRACT with Honda for BL to produce a new Honda-designed car in Britain from mid-1981 will be finalised before September, said the Japanese manufacturer yesterday.

Honda and BL said last month that they had reached a basic agreement that the car would be produced at BL's Speke plant, Liverpool, and at Canley, Coventry.

The new cars will be produced under licence at an initial annual rate of 50,000 to 60,000. Some items, such as engines and transmission systems, will be supplied by Japanese manufacturers.

Honda and BL are still discussing terms of the contract, including details of the supply of Japanese-made parts and a building formula. Honda is studying plans to increase its imports of vehicle parts from Britain, including parts from BL-affiliated manufacturers.

BR team to advise on U.S. rail developments

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

TRANSNARK, British Rail's consultancy subsidiary, has won a contract to advise the U.S. railway authorities on the upgrading of services between Washington and Boston.

BR also hopes to sell the Americans the technology behind the 150 mph advanced passenger train, which is now being tested before entering service in Britain later this year.

The advanced train, with its high-speed cornering capability, could be suitable for the New York-Boston run, which has many bends. Officials from the U.S. Transport Department and AMTRAK, the federal rail passenger authority, have already visited Britain to inspect the train.

BR will also assist General Motors in adapting a Swedish electric locomotive scheduled for use on the 130 mph Washington-New York service from 1983.

Sandelson & Co

In our issue of June 8 stated in relation to the report of the Department of Transport Inspectors into Larkford II, that they had cast doubt (among others) on stockbroker Sandelson and Co. for mismanagement of the company's funds to be misused and for not accepting or carrying out the responsibilities of their position. In fact, inspectors' report made criticism whatsoever of Sandelson and we wish to apologise unreservedly for this error.

World coal deposits to be computed

By John Lloyd

NCE (IEA Services), the subsidiary of the National Coal Board which operates under auspices of the International Energy Agency, is to build a computer-stored assessment of coal deposits throughout the world by 1982.

The project, foreshadowed yesterday in the compar annual report, is expected to result in a system identifying and quantifying amount and quality of coal at most sites the world.

The report says that experimental pressurised, lignite bed combustion plant built at Grimthorpe, York under the IEA's auspices should be ready for commissioning later this year.

Fluidised bed combustion could overcome the major operational problems encountered in low-grade coal power generation, the use of a base of erosion and fouling of heat exchange system.

Storm over prescriptions

FINANCIAL TIMES REPORTER

REPRESENTATIVES OF 8,600 High Street chemists are to hold an emergency meeting to discuss the impact of higher prescription charges on their businesses.

The chemists claim the increase in prescription charges from 20p to 45p, announced in the Budget last week, will make them worse off, and they are taking the opportunity to complain again about their contracts with the Government.

Mr. Alan Smith, chief executive of the Pharmaceutical Services Negotiating Committee, said yesterday that unless the contract were changed to give chemists a fairer deal, they might have to consider resigning from the contracts.

If they did, this would mean they would no longer handle National Health Service prescriptions. While such a drastic step is unlikely, the chemists are clearly concerned that they will have to bear additional administrative costs in collecting the higher prescription charges without an improvement in their contracts.

In support of their claim that the present contract fails to reward hard work or increased efficiency, the chemists argued that the number of chemists' shops in Britain has substantially declined and will continue to do so unless contract terms are improved.

Advertisement for Atlantic Research Corporation. It features the company logo, the text 'All of these Securities have been sold. This announcement appears as a matter of record only.', and a list of 20 member firms including Bache Halsey Stuart Shields, Bear Stearns & Co., Blyth Eastman Dillon & Co., Donaldson, Lufkin & Jenrette, Drexel Burnham Lambert, E. F. Hutton & Company Inc., Kidder, Peabody & Co., Loeb Rhoades, Hornblower & Co., Paine, Webber, Jackson & Curtis, Shearson Hayden Stone Inc., Smith Barney, Harris Upham & Co., Warburg Paribas Becker, Wertheim & Co., Inc., Dean Witter Reynolds Inc., Hambrecht & Quist, Beardsley Bishop & Co., Buckmaster & Moore, Credit Commercial de France, Hambros Bank, Samuel Montagu & Co., and Pictet International.

Handwritten signature or mark at the bottom of the page.

UK NEWS - LABOUR

Shotton workers seek new structure

FINANCIAL TIMES REPORTER THE GOVERNMENT is being asked to take the Shotton steelworks, threatened closure out of the control of the British Steel Corporation...

S. Wales rail strike after crew censured

BRITISH RAIL services in South Wales were severely disrupted yesterday after a train crew deliberately ignored service cuts introduced by management last week to save fuel.

Action may hit London hospitals

Several London hospitals could be hit by lightning strikes in support of a sacked union official, it was claimed yesterday.

Gas clerks will fight for higher offer

SECTIONS of white-collar staff working for British Gas are expected to call for strike action unless the corporation improves an informal pay offer of about 9 per cent.

Rists engineers return to work

ABOUT 210 striking engineers at Rists Wires and Cables, of Newcastle-under-Lyme, North Staffordshire, have voted to accept a revised pay offer and end their two-week dispute.

Lester gives details of job scheme cuts

DETAILS OF the Government's cut in the Manpower Services Commission budget for special employment programmes were given yesterday by Mr. James Lester, Employment Under-Secretary, in a parliamentary written answer.

Tube action

London Transport has offered 10.3 per cent to the three rail unions with members on the underground service. But the NUR told the panel that the restoration of April, 1975, pay levels required basic rate increases of almost 17 per cent for railworkers, and up to 25.3 per cent for top grade supervisors.

Patients face loss of some services

Patients face loss of some services in the battle to reinstate strikers' carpenter Mr. Bill Geddes, the union's branch chairman at Hammersmith Hospital.

Hands off shipbuilding, Tories told

IF THE Government does not continue to develop such policies as improved credit financing, flexible price subsidies and more defence orders for the shipbuilding industry there will be "chaos, anger and confusion," warns one of the industry's leading trade unionists.

enemies in obtaining a sufficiency of orders and the maintenance of the labour force. "We must say to the Tories, 'Hands off our industry!'"

Coal Board to consider Gormley plea for pit

THE NATIONAL Coal Board need yesterday to examine a plea for Mr. Joe Gormley, the National Union of Mineworkers' president, to reconsider its decision to close up Duffryn Colliery, South Wales.

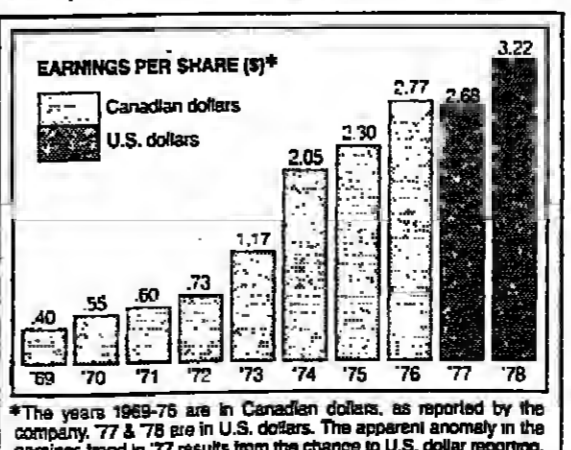
by other coal industry unions and by local authorities in the area, which is already suffering above-average unemployment. Salvage work at the colliery is already underway and the NCB plans to transfer the workforce of some 550 to other pits.

Did you know Dominion Bridge/AMCA achieved a better 10-year growth rate than 490 of the Fortune 500?

Table with columns: Earnings per Share Growth Rate 1968-1978, Rank, 1978 Sales & Rank in Fortune 500. Includes handwritten notes: 'Dominion Bridge/AMCA 29%' and '33%'.

Now all you need to know is who's Dominion Bridge/AMCA.

Dominion Bridge/AMCA literally earned its way to the top ranks of corporate giants. A relative unknown a few years ago, we've since become a diversified international growth company selling products in over 100 countries...



Hall Engineering Board posts

Mr. J. Parsons and Mr. E. K. have joined the Board of LL ENGINEERING (HOLDINGS) as non-executive directors.

Mr. David Walton, previously deputy chairman of the SCOTISH METROPOLITAN PROPERTY COMPANY, has been appointed chairman following the death of Mr. Isadore A. Walton, chairman and managing director.

Advertisement for Zurich insurance services, including text: 'We offer alternatives for international finance also in Zurich' and 'BADISCHE KOMMUNALE LANDESBANK GIROZENTRALE'.

Advertisement for AIR AIR CONDIT IONING, including text: 'AIR AIR CONDIT IONING Offices: Shops, Restaurants, Factories'.

Dominion Bridge/AMCA We're not your average growth company.

UK NEWS—PARLIAMENT and POLITICS

Varley condemns high-risk Budget

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE CONSERVATIVE Budget was a recipe for soaring inflation, rising unemployment and industrial decline.

The problem of productive investment at home would be aggravated by the decision to relax exchange controls.

Speaking on the last day of the Commons Budget debate, he declared: "This Government is set to break many records—on inflation, on unemployment and even on provoking industrial disputes."

But the Budget was defeated by Mr. John Nott, the Trade Secretary, who agreed that the Chancellor had adopted a "high risk strategy."

Tory determination "So be it," he said. "It may require some risks to arrest our ever-accelerating decline."

He emphasised that the determination of the Conservative Government to carry through the strategy was never in doubt.

Now, the Government is going to meet its manifesto commitment and do its very best to put things right," he assured the House.

Opening the attack from the Labour front bench, Mr. Varley said the Budget represented the highest political gamble that this country had seen for a generation.

He profoundly disagreed with the analysis behind it. "It is bound to fail because

what the Chancellor delivered was a recipe for soaring inflation, rising unemployment and industrial decline.

The problem of productive investment at home would be aggravated by the decision to relax exchange controls.

Speaking on the last day of the Commons Budget debate, he declared: "This Government is set to break many records—on inflation, on unemployment and even on provoking industrial disputes."

But the Budget was defeated by Mr. John Nott, the Trade Secretary, who agreed that the Chancellor had adopted a "high risk strategy."

Tory determination "So be it," he said. "It may require some risks to arrest our ever-accelerating decline."

He emphasised that the determination of the Conservative Government to carry through the strategy was never in doubt.

Now, the Government is going to meet its manifesto commitment and do its very best to put things right," he assured the House.

Opening the attack from the Labour front bench, Mr. Varley said the Budget represented the highest political gamble that this country had seen for a generation.

He profoundly disagreed with the analysis behind it. "It is bound to fail because



Mr. John Nott

ster would be remembered as "Mrs. 14 per cent," he suggested.

He pointed out that the Red Book accompanying the Budget was forecasting a small fall in output over the next year and weak domestic demand.

It also stated that private sector investment was past its peak.

"This decline will stem directly from this Budget," commented Mr. Varley.

Answering for the Government, Mr. Nott surprised some MPs by his attitude towards the

Treasury forecasts in the Red Book accused Mr. Denis Healey, the former Labour Chancellor, of being obsessed by the statistics which it contained.

Mr. Healey's performance in office had convinced him that Government forecasts were not necessarily relevant to the real world.

No-one had been more successful than Mr. Healey in undermining the credibility of the national income forecast contained in the book.

Mr. Nott emphasised that the book itself had declared: "There is no clear assumption that past errors are a good guide to future errors."

At this, Mr. Denis Davies, former Treasury Minister, pointed out that the Red Book also said the Government was going to keep growth of money supply to 9 per cent.

Was this to be taken seriously or not?

Mr. Nott assured him that the Government was perfectly serious about that figure.

Mr. Healey intervened to protest that, by its actions in the Budget, the Government was making matters worse for inflation.

The retail price index had been expected to rise to 12 or 13 per cent by the end of the year but now, as an inevitable consequence of the Budget, it was likely to be 20 per cent.

Mr. Nott retorted that the Conservatives had inherited a

situation with strongly rising price increases expected in a "very substantial way."

They were Labour jeers when he added: "I would be quite happy to go into prices at greater depth but I don't want to speak at great length."

Factory gate prices had been rising at between one and 1.5 per cent a month all this year. The retail level of inflation was already back in double figures when the Conservatives took office.

Difficult outlook The Government was content to be judged on the increase in real disposable incomes over the next five years. If we could narrow the gap between British incomes and those in Germany and France then we would be on the right road to recovery.

Mr. Nott emphasised that we were facing a difficult outlook for our world trade. Although we were protected from the direct effects of increased oil prices their impact on the demand for our goods abroad was bound to be severe.

The rise in oil prices was going to harm us unless we could increase our share of world trade. That had to be our objective.

The trade figures for the first four months of the year showed a £1bn deficit. But it would be a tragedy if we reacted to this by placing the open system of international trade in jeopardy.

Inflation brings Minister to earth

By Philip Rawstone

A LOT of "ordinary" or "honourable" members were waiting to take part in the last day of the Budget debate.

Mr. John Nott, Secretary for Trade, duly fulfilled his first fears by getting the proceedings off to an undistinguished start.

Mr. Nott's waspish humour has earned him something of a reputation as a Commons cabaret artist. But his performance in the past has been in front of receptive late-night audiences—and in the early afternoon, he fell quite flat.

Mr. Nott came down to earth with a bump in fact as Labour MPs tackled him about the Treasury forecasts for inflation and unemployment.

Such predictions were notoriously prone to mistakes, Mr. Nott responded jocularly. Government forecasts were not necessarily relevant to the real world, he said.

Then what about the Government's forecasts for the money supply? asked Mr. Denis Davies, the former Labour Treasury Minister.

They were quite different, said Mr. Nott. "They were a statement of the Chancellor's intentions," he declared.

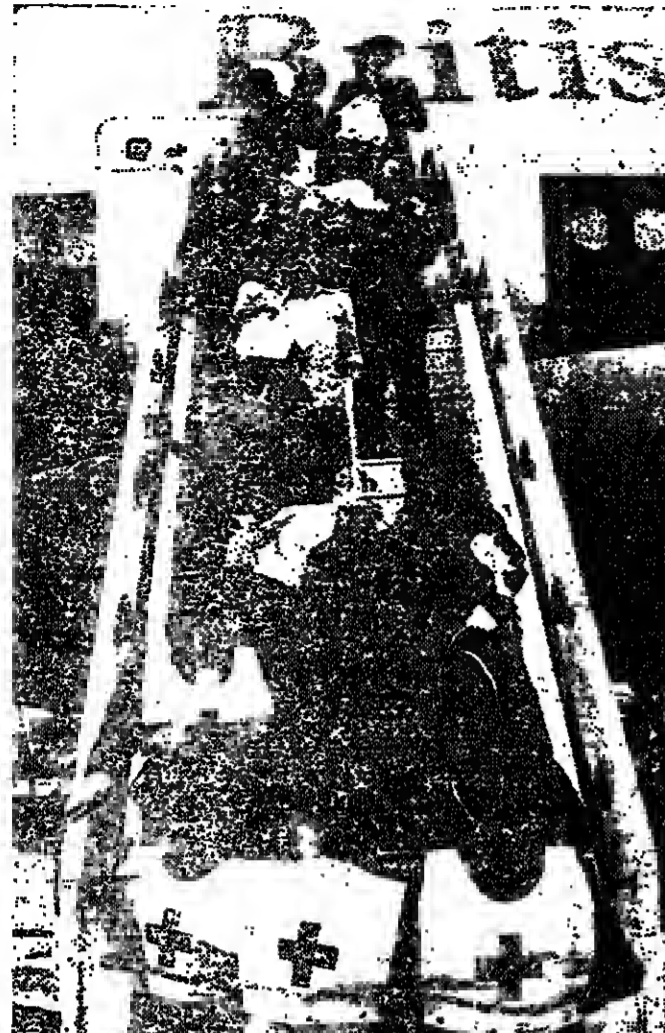
Even such a freemarker advocate as Mr. Enoch Powell soon began to find that incredible, however.

Mr. Nott said the Price Commission was being abolished because it could not influence the general level of prices. What was needed was a more effective competition policy.

"That cannot keep down the Retail Price Index either," Mr. Powell observed.

"It can," said Mr. Nott. "It can," replied Mr. Powell. The duet continued until Mr. Nott in exasperation declared: "Your tartuous logic defeats me."

That at least enabled Mr. Eric Varley, Labour's Employment spokesman, to work into the debate a passable joke about the encouragement the Budget had given to pop stars like Tom Jones and Engelbert Humperdinck to return to Britain to found a sillon chip industry on Merseyside.



Vietnamese refugees rescued by the freighter Sibanga arriving at Heathrow to start a new life in Britain.

UK urges talks on boat people

BY IVOR OWEN

WITH THE plight of the Vietnamese "boat people" growing more desperate, Britain is stepping up her efforts to secure an international conference on resolving the problems involved in meeting their needs.

Sir Ian Gilmour, Lord Privy Seal and chief Foreign Office spokesman in the Commons, told MPs yesterday that the Prime Minister had sent a further message to Dr. Waldheim, the UN Sec-Gen, stressing that the need for such a conference had increased greatly since she first wrote to him on May 31.

There was condemnation from both sides of the House of the Government of Vietnam for forcing so many Indo-Chinese to take to the open sea, and of the Government of Malaysia for threatening to shoot any further refugees seeking to come ashore on its territory.

But an attempt to secure an emergency debate was rejected by Mr. George Thomas, the Speaker.

Suggestions that the Government should give a lead to the world by announcing Britain's willingness to take up to 15,000 more Vietnamese refugees were sidestepped by Sir Ian, who insisted that decisions of this nature were a matter for the Home Office.

Detailing the latest steps taken by the Government, he revealed that Mrs. Margaret Thatcher had also sent a message to the Prime Minister of Malaysia.

Britain, he said, had urged interested Governments to support the proposal for a conference to consider themselves making additional offers of help, and to bring their influence to bear on the Government of Vietnam to abandon the policies which were causing so much hardship for the refugees and for Hong Kong and the South-East Asian countries where they land.

In Paris, earlier in the day, Lord Carrington, the Foreign Secretary, had discussed the convening of a conference with the French Foreign Minister, who had indicated that the French Government, like others of the EEC, supported the proposal.

Mr. Peter Shore, Labour's shadow foreign secretary, accepted that the root of the problem lay in the policies of the Government of Vietnam. He underlined the sense of shock caused by the original statement by the Malaysia Government advocating the shooting of refugees. This had been only partly diminished by subsequent statements.

Because of the gravity and magnitude of the issues involved, he believed the matter should be brought before the United Nations Security Council, whose members included Governments thought to have great influence on Vietnam.

Sir Ian recalled that on the last two occasions when the Security Council considered Indo-Chinese issues, the discussion concluded with the Soviet Union using its veto.

He fully acknowledged the magnitude of the problem which stemmed from the "disrespectful and inhuman" behaviour of the Vietnamese Government.

The original statement by the Government of Malaysia had caused "great disquiet," but the Prime Minister had subsequently made it clear that while Malaysia would take firm measures to prevent further arrivals of boat people, these would not include shooting.

The Malaysian Prime Minister, he added, had also stated that Malaysia would not be prepared to be left with the refugees. If they were not accepted for resettlement elsewhere they would be "sent away."

Sir Ian said this latest statement, while still open to criticism, was an "enormous improvement."

Shadow 'Stop killings' plea

BY IVOR OWEN

BRITAIN is urging Ghana's new rulers not to execute any more politicians or business leaders.

Sir Ian Gilmour, Lord Privy Seal and Chief Foreign Office spokesman, announced this in the Commons yesterday when deep revulsion was expressed over the death by firing squad of General Ignatius Acheampong, former head of the Supreme Military Council.

Mr. Peter Shore, Labour's shadow foreign secretary, said that several political leaders were apparently still under threat. He called on the Government to make urgent representations to the authorities in Ghana.

His condemnation of the "odious mix of secret trials and public executions" practised by

MPs move to curb Whitehall powers

BY ELINOR GOODMAN, LOBBY STAFF

THE GOVERNMENT yesterday published proposals for a complete overhaul of the existing system of backbench scrutiny committees. If they are implemented with the spirit the Government apparently intends, they could increase considerably Westminster's powers over Whitehall.

In theory, they could mean that MPs would be able to probe areas of Government activity—lie some aspects of the Treasury's work—now closed to them.

Ministers have accepted the recommendations of the Procedure Committee that permanent watchdog committees should be set up to monitor the work of individual Government departments.

In a motion published yesterday for debate next Monday, the Government proposed that 12 such committees should be set up to replace the existing committees dealing with particular subjects, such as immigration and expenditure.

The motion, which goes considerably further than the last Government seemed prepared to go, also embodies the Procedure Committee's recommendation that the new committees should have a permanent staff of civil servants working for them.

It also endorses the idea that a separate select committee should be set up to deal with the reports of the Ombudsman.

In the same way, the Public Accounts Committee, now one of the most influential backbench committees, would continue to have a separate identity.

The motion does not, however, go quite as far as the committee wanted in increasing the powers of these new committees. They will have the power to send for Ministers as witnesses and to ask for Government papers—but in theory Ministers will still be able to refuse.

Government apparently hopes, however, that this situation will never arise as the Cabinet has agreed that everything should be done to make the committee as effective as possible.

The belief is that by co-operating with the new committees, the present administration will set a precedent which will make it very difficult for subsequent Governments to withhold information.

MPs are expected to be given a free vote on the motion when it comes up for debate next Monday and though some amendments will probably be put down, the signs are that it

APPEALS

Not all today's war veterans are old soldiers. Many of the young servicemen killed in Northern Ireland leave widows and orphans behind. Those that are disabled may never be able to work again. The annual Poppy Appeal does not pay for their food, fuel and clothes. Please send donations to: The Royal British Legion Appeals Department, Maidstone, Kent ME20 7NX.

CONFERENCES

RSM Conference—A one-day conference on Friday, 22nd June, at the Cafe Royal, London, W.1. at 9 a.m. "VALUE FOR MONEY" How to be sure that the high cost of building represents optimum value for money. There are 200 inclusive of VAT and further details can be obtained from Robert Stevens (Management Services) Ltd., Aldwych House, Aldwych, London WC2B 4EL. 01-242 2702/3.

COMPANY NOTICES

ANGLO AMERICAN INVESTMENT TRUSTS LIMITED. Incorporated in the Republic of Ireland. PREFERENCE DIVIDEND AMOUNTING TO £1,000,000. With reference to preference dividend No. 48, payable on or about August 18, 1979, to the holders of the preference shares registered on June 22, 1978, the rate of dividend is 14.9375 per cent and not 14.9375 per cent as stated in the prospectus of June 18, 1978.

PLANT AND MACHINERY

WE HAVE APPROXIMATELY 80 used Fork Lift Trucks, used in delivery, loading, unloading, etc. and are now being sold at a large discount. Trade and export enquiries welcome. Please contact: GARGOYLE'S, 111, The Quadrant, London, W.1. Tel: 01-252 5944-5. Telex: 337652.

MEMORIAL SERVICE

BARLOW—A Memorial Service for Mr. S. C. Park, who will be held at Grosvenor Chapel, South Audley, London, W.1, on Wednesday, July 11 at 11 a.m.

PERSONAL

CITY OFFICE CENTRE, 5 mins. from office and furnished office. Available today. Ring 084 4272 or 244 3751.

Forbes announces a special advertising section on INTERNATIONAL BANKING AND THE U.S. BUSINESS COMMUNITY to be published in the September 17, 1979 issue. Written by Frank Vogl, U.S. Economics Correspondent, The London Times. CLOSING DATE: JULY 30, 1979.

# NEW ON PHILIPS' DATATRAIN: 3 MORE SYSTEMS THAT TALK YOUR LANGUAGE.



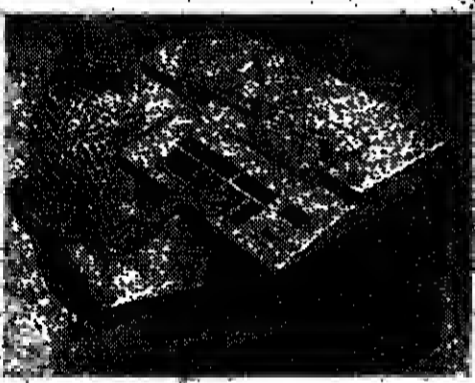
See them  
in action on  
Datatrain!

Datatrain is a specially-chartered eight-coach train equipped with a working exhibition of all Philips Data Systems' business efficiency products. Throughout June, it will be making a one-day visit to eighteen major centres as Philips Data Systems' mobile showroom. Visit Datatrain to see what today's computers can do for you!



The New Philips Bookkeeper is an ultra-low-cost business accounting system for the first-time user. It looks after all your accounting routines, with speed and accuracy, for less than the cost of a clerk.... and it also gives you the daily facts and figures you need to keep close control of your business. The Bookkeeper helps you save money and make money - see it in action on Datatrain!

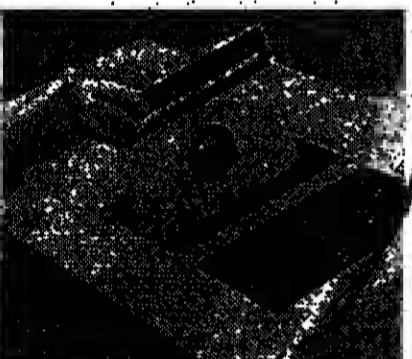
## Computers that talk your language.



The Philips Informa Series - 3 low-cost answers to the accounting problems of the smaller business.



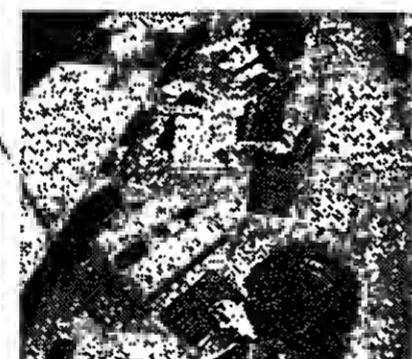
The Philips P172 - a fast and user-friendly key-to-tape off-line data preparation unit.



The Philips P312 - a flexible-disk computer system for small and medium-sized companies.



The Philips P330 Management Accounting System - a very sophisticated business computer with outstanding speed and performance.



The Philips PTS 6000 Financial Terminal System - the world's leading terminal system for cash-receipting.

The New Philips P430 System is a highly-sophisticated, interactive business computer with a host of unique "user-friendly" features. The P430 comes with a full range of low-cost library program options, designed by Philips to slash the cost of software. The performance of this new, top-of-the-range system must be seen to be appreciated - watch the P430 in action on Datatrain!

A brilliant new idea in business information handling, Philips Viewdata Systems for business users offer an unprecedented opportunity to up-grade the efficiency of every member of staff. By linking a low-cost TV terminal to a minicomputer via ordinary telephone lines, Philips Viewdata gives an employee instant inexpensive access to all the facts and figures needed in his work. See what Viewdata can do for you on Datatrain!



## People who talk your language.



Highly-trained, professional salesmen who are interested in understanding your business first.



Software specialists dedicated to reducing the cost of computing for both small and major users.



Systems Installers who arrive with your system and stay with you until your staff are familiar with it.



Engineers who are proud of their reputation as the best in the industry - you'll never wait long for a service call.



Supplies specialists to ensure that you always have the ancillaries you need, at the best price.



Training experts running courses nationwide to make sure your staff are thoroughly trained at every level.

**NEW! LOW PRICES FOR 1979**  
Every product in Philips Data Systems' range has been reduced in price for Datatrain 1979! Take advantage of Philips' across-the-board price cuts by visiting Datatrain in your area.

Make your reservation on Datatrain today! Ring our Regional Office or tick the most convenient location for your visit and return the coupon to: Datatrain Reservations, Philips Data Systems, Elektra House, Colchester, Essex.

May 31	Colchester	0206 5115	<input type="checkbox"/>
June 1	Cambridge	0206 5115	<input type="checkbox"/>
4	Leicester	0602 297226	<input type="checkbox"/>
5	Leeds	0532 733355	<input type="checkbox"/>
6	Newcastle	0632 774168	<input type="checkbox"/>
7	Edinburgh	031-226 3714	<input type="checkbox"/>
8	Aberdeen	0224 24121	<input type="checkbox"/>
11	Glasgow	041-221 8116	<input type="checkbox"/>
12	Manchester	061-798 9191	<input type="checkbox"/>
13	Liverpool	061-798 9191	<input type="checkbox"/>
14	Birmingham	021-550 8171	<input type="checkbox"/>
15	Cardiff	0272 293541	<input type="checkbox"/>
18	Bristol	0272 293541	<input type="checkbox"/>
19	Plymouth	0703 775533	<input type="checkbox"/>
20	Southampton	0703 775533	<input type="checkbox"/>
21	Slough	0494 444081	<input type="checkbox"/>
22	Maidstone	0206 5115	<input type="checkbox"/>
25/26	London	01-836 4360	<input type="checkbox"/>

Your Name \_\_\_\_\_  
 Company \_\_\_\_\_  
 Position held \_\_\_\_\_  
 Address \_\_\_\_\_  
 Tel: \_\_\_\_\_



**PHILIPS**



# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## TEXTILES

### Designed to produce a fancy yarn

ALTHOUGH THERE is a general depression in sales of textile machinery, a few bright spots indicate that business is brisk.

One such area is in the production of fancy yarns such as are widely used in decorative fabrics and furnishing cloths. This interest has also extended into the area of knitted fabrics where speciality effects are being used to stimulate trade.

A new machine for the production of this type of yarn has been developed in Ulster by the company James Mackie and Sons (POB 149, Belfast, BT12 7ED, Tel. 0232 27771) and is being marketed as the "Novo-style" frame.

In a single operation the machine combines both spinning and fancy twisting. It is able to spin yarns and give the fancy twist a draft from 10 to 80 through the DASN drafting system. This feedstock will be provided from large capacity silver cans or from 14 in by 11 in heavy duty silver bobbins and it is possible to feed in a silver up to a weight of 10 grams/metre.

The yarns that can be spun range from Nm0.85-Nm40 which can be shown as cotton counts 0.5-24 cc, while the range of fibres that can be processed are

between 3 and 20 denier, and the staple lengths from 65 to 165 mm. Natural, man-made fibres and blend variations can all be processed on the machine. Yarns are produced with a wrapping thread of a fine synthetic which serves to hold together the otherwise unstable fancy effects. This small package will be to a maximum of 350 grams.

The production rate of the Novostyle frame is 100 metres/minute maximum, but this will depend upon the fancy effect yarn being produced. Very high delivery packages of up to 8 kg can be produced, these being of 254 mm traverse and diameter.

Effects are normally produced by a controlled over-feed and this is simply set by means of a dial control. The frame is built in two versions, the smaller having 24 spindles and the larger 48.

There are silver and yarn stop-motions which automatically protect the machine from producing faulty yarn. While there is an independent tape drive to each spindle and, by having the construction as a double-sided machine, it is possible to incorporate individual drives to each side and so add to the general versatility of the frame.

## COMPONENTS

### Small gas sampling pump

A SMALL reciprocating pump particularly intended for air and gas sampling systems at up to 2.5 litres per minute flow rate has a DC motor, ball bearing eccentric and specially moulded rubber diaphragm, making it very suitable for use in portable equipment running off self-contained batteries operating in the 6-12 volt range.

Body mouldings are made of glass filled polypropylene and

an optional mounting bracket is available. Alternatively the pump may be panel-mounted using a single fixing nut. The pump has inlet and outlet connections can be supplied with a variety of miniature pipe fittings including barb connectors for 2, 3 or 4 mm inside diameter tubing or quick action couplings. Weight of the unit is 80 gm.

The supplier is Research Engineers, Orsman Road, Shore-ditch, London N1 (01-739 7811).

## RESEARCH

### Complex analyses in a flash

"SNAPSHOTS" OF what is happening in a chemical reaction on a time scale of a few billionths of a second can be made by a laser technique developed by IBM scientists.

Far-reaching effects on the understanding of fast-acting chemical events such as combustion in automobile engines, key processes in petroleum refining, and other high-temperature reactions can be expected from its application.

Molecules and fragments of molecules in various energy states taking part in a chemical reaction can be identified by the frequencies of infra-red light they absorb. This standard technique is known as infra-red spectroscopy. In the past, it has not been possible to record a complete infra-red spectrum with a single short laser flash.

This is what the new IBM technique does. It involves two key advances. The first is a

method of generating a flash of infra-red light having a wide uniform range of frequencies which serves as a probe. When this light is passed through the sample, the infrared absorption spectrum of the sample is imprinted on it. What happens next is the second key step in the technique. The output infrared beam, with the imprinted spectrum, is focused into a chamber filled with potassium vapour. A precisely tuned beam of blue light from an organic dye laser is sent into the chamber at the same time. The two beams of light interact with the potassium atoms in such a way that a large fraction of the energy of the blue light is added to that of the infra-red, shifting its colour into the visible.

In this interaction, the spectrum of the infrared beam, which contains the information about the composition of the sample, is virtually unchanged in shape even though its energy

has been shifted into the visible region. It can however, now be recorded on a photographic plate in a conventional spectrometer.

A broad infra-red spectrum can be recorded in one laser pulse of about five nanoseconds duration and this, a major limitation of infra-red spectroscopy resulting from the fact that photographic emulsions are insensitive to light with a wavelength greater than about one micrometer is overcome, since the infra-red spectral region of greatest interest for identifying molecular species is 2 to 20 micrometres.

Experiments so far have covered the region from about 2.5 to 3.7 micrometres, but the technique is believed to be extendable to most of the 2-20 micrometer range with the use of other metal vapours.

IBM, Research Division, POB 213, Yorktown Heights, New York 10588, US.

## PROCESSES

### Makes strong pipe-joints without welding

SOLE marketing rights in Europe for a pipe joining process developed in the U.S. — the joints are made without conventional welding — have been obtained by Avon Lippiatt Hobbs.

The joining process called Zap-Lok, is carried out with the aid of a portable hydraulic machine carried on a tractor or, for marine operations, on a pipe lay barge. The process is considered particularly suitable for use in the construction of small pipelines, distribution systems and specialised pipe installations.

In the process, one end of the pipe is expanded or "bellied" and the other end is bevelled to facilitate entry into the "bell" and also grooved to provide a reservoir for an epoxy lubricant which acts as a secondary sealant.

Joining of pipes is entirely a mechanical process and is suitable for pipes with diameters ranging from 2 to 12 in. It is claimed the process produces a strong permanent joint which can be used under the same pressure as would be demanded of steel welded lines.

Three models of the Zap-Lok

machine are available — the model 8000-12 is for 6, 8, 10 and 12 in pipes; the model 5000 accommodates 2, 3 and 4 in sizes; and the model 150 is for 1 and 2 in nominal pipe sizes.

Under normal field conditions, says Avon Lippiatt Hobbs, the Zap-Lok operation requires a crew of only six people or two operators for the side boom tractors handling the pipe and carrying the joining unit, the Zap-Lok machine operator, two labourers to guide pipe handling and apply the epoxy sealant/lubricant, and a third labourer to remove excess epoxy after the joints have been made.

Cost savings are stated to vary according to pipe size, length, and the type of weather and terrain. It is claimed to be substantially more economical than welding, yielding installation costs savings as high as 35 per cent on long-length trunk lines. The installation process is rapid and the company quotes the model 8000-12 Zap-Lok unit which can join 10 in pipe in 60 seconds or less under normal field conditions.

Full details of this joining process can be obtained from ALH Systems, Westbury, Wilts. BA13 4HW (0373 864744).

# Lovell

for construction  
01-9951313

## COMMUNICATION

### Speeds the message on its way

INTELLIGENT communications equipment which offers extended message-handling automation to a company's branch offices and remote locations has been introduced by Plessey Communications and Data Systems.

Particularly suitable for large organisations with many sites, and which demand central control and a variety of jobs, such as data entry message transmission and document preparation the Series 1500 meets many needs.

The controller will run a terminal work station; provide an intelligent operating system with editing, operator prompting and file-management capability; and interface with other networks. It is compatible with Plessey data-capture equipment and has been designed for both home and international markets.

The system comprises a console display keyboard and terminal, a teleprinter and a disc controller in a terminal work station, and enables them to function concurrently, thus eliminating the need for operators to wait for one terminal's activity to be completed before another is begun.

Plessey Communications and Data Systems, Poole, Dorset.

### Energy use in buildings

AS PART of a five-country exercise established by the International Energy Agency to look into energy conservation in buildings, the Building Research Unit at the University of Glasgow, under a £230,000 award is to make a major study of the energy consumption and thermal behaviour of the new Collins' (the publisher) office in Bishopbriggs.

Main purpose is to iron out differences that have occurred in the computer predictions made in the participating countries — Belgium, Canada, Switzerland, UK, and the U.S. A first set of comparisons made a year ago showed considerable variations between results obtained from the five programs.

In the building in Glasgow the weather conditions, all the energy flows, and the resultant environmental conditions in all the rooms will be measured and recorded for a complete year. The large amount of data collected will then be processed into a form to allow comparison with the various computed estimates.

Ultimate object is to provide architects and engineers with appropriate knowledge and techniques to design energy-conserving buildings.

### Surround-sound system

A CROSS-LICENSING agreement has been made by National Research Development Corporation (NRDC) and Nippon Columbia in Japan on the subject of "surround sound" patents.

NRDC is granted licensing rights in respect of patents filed by Nippon Columbia and deriving from its UD-4 disc system.

At the same time the Japanese company has been granted licenses to manufacture audio equipment falling within the claims of the NRDC patents. The corporation has for a number of years been financing

the development of the Ambisonics surround-sound system. Development has been going on at the universities of Reading and Oxford, supported by IMF Electronics.

NRDC and the IBA have been collaborating for several years in the development of an improved surround sound system called UHJ, already the basis of some experimental broadcasts in the UK. It is also being "closely considered" by the Federal Communications Commission in the U.S. and the European Broadcasting Union, who seek to promulgate industry standards.

## PRINTING

### Web offset presses

TWO web-offset printing presses intended for high quality commercial work are being introduced by Crabtree-Vickers of Leeds.

The new presses are to be marketed following joint development between Crabtree-Vickers and the Komine Manufacturing Company of Japan where more than 30 presses of this type are already installed. Earlier this year Crabtree-Vickers entered into a marketing and manufacturing agreement with Komine to establish

a world-wide sales and service distribution network.

First installation in Europe will be a five-colour press to be installed at Waddington and Ledger of Dewsbury, Yorks, where it will be used to increase production of holiday brochures and mail order catalogues.

The new presses are available in two sizes for up to six colours, printing both sides of the paper. One has a maximum print length of 437 mm. Output from the presses is as 4, 8 or 16 pages.

## LIGHTING

### Long-life lamps promise

ENERGY-SAVING family of lighting products which use less electricity and provide longer bulb life are promised by GE (USA).

The new bulbs, GE asserts, embody the first technology with potential for replacing the common household light bulb, a product invented a century ago.

GE says that commercial, institutional and other uses for the bulb would extend its use well beyond the home. Electronic Halarc bulbs will not, however, be available to the public until early 1981.

Developed in GE's lighting business group laboratories in Cleveland, Ohio, Halarc uses metal halide technologies incorporated in the company's Multi-Vapor industrial and commercial line, combined with electronic circuitry contained in its base. This allows it to react instantly to compensate for fluctuations in line voltage.

Designed for an average life of four to five years in normal

home use of about 1,000 hours per year, the new bulbs could cost about £5. But because of its much longer average life and more efficient operation, it should save money.

Installing one such bulb in each of Europe's 105m households would provide electrical savings over the average five-year life of the bulb of about 40bn kilowatt-hours.

GE has evaluated several possible technologies as lighting sources for the future. Two others are "SEF" (for Solenoidal Electrodeless Fluorescent) and "IR" (for Infra-red). It selected Electronic Halarc for immediate development, however, because it is versatile in its applications and adaptable to a wide variety of bulb sizes and wattages.

The company will have invested more than \$20m in an accelerated programme to develop these new light sources as quickly as possible. Further, the company notes it is investing an additional \$24m in production facilities for the Electronic Halarc.

## ACOUSTICS

### Intercepts piercing noise

RACAL's specialist organisation on acoustics has launched a new series of hearing protectors, headphones and headsets which will be exhibited for the first time at AFCEA 79 exhibition being held in Washington, U.S., June 19-21.

Sonovolve III is designed for use in high noise situations where the user may be subject to harmful impulse noise such as gunfire. Its attenuating properties are remarkable — particularly at low frequencies. For example, 83 Hz noise is reduced by 15 dB attenuation is achieved. This is particularly important for tracked vehicle applications where low frequency noise is predominant. The noise-reducing earshells have a patented acoustic valve which provides bearing protection against high noise levels when closed but allows the wearer to hear ambient noise such as speech, when in the open position. Additionally, a patented explosive noise attenuator is incorporated in high earshells. This device responds immediately to explosive sounds when the acoustic valve is in the open position.

Racal Acoustics, Beresford Ave, Wembley, Middx. HA0 1RU.

By agreement between the Financial Times and the BSC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

## ELECTRONICS

### Directory of agents

PUBLISHED as a companion volume to the European Electronics Suppliers Guide is a further directory which lists nearly 1,200 firms and agents in 20 countries.

Called the European Electronics Agents Directory, the book is published by C. G. Wedgewood and Company, 14 King's Road, Wimbledon, London SW19 8QN (01-540 6224).

Containing 130 pages in A4 format and costing £15, the directory lists the manufacturers and agents, and then the agents themselves, with names of executives. Most areas of electronics are covered.

### Display terminals

STARTING PRICES of about £400 have been fixed for the Pentland visual display terminals designed and made by CPU Peripherals, Copse Road, St. Johns, Woking GU21 1SX (Woking 73835).

At this price (applicable to OEM quantities), the model 3 offers 64 displayable ASCII characters, 12 baud rates, switchable full or half duplex operation, 62 keys in standard format, and full cursor control. By making full use of LSI circuits, the company claims to have achieved both excellent performance and high reliability.

Model 4, also introduced, has an additional 11 key numeric pad together with line and page scroll, row interchange, two page video memory, 98 displayable ASCII characters, and optional displayed control codes.

### IF YOU HAVE PROBLEMS WITH ASBESTOS

CONTACT THE TREATMENT AND REMOVAL EXPERTS' SPRAYTEX (Industrial Surface Protections) Ltd., 51-53 Wolborough Street, Newton Abbott, Devon For immediate advice ring 0626-69596

This announcement appears as a matter of record only



## COMPANHIA NACIONAL DE PETROQUIMICA E.P.

US\$ 15,000,000

### Floating Rate Loan Facility

guaranteed by

Banco Pinto & Sotto Mayor

managed by

Banque Belge Limited — Société Générale de Banque S.A.

Banco Pinto & Sotto Mayor (Paris Branch)

Banque de la Société Financière Européenne

SFE Group

Internunion-Banque

provided by

Banco Pinto & Sotto Mayor (Paris Branch)

European American Bank & Trust Company (Cayman Islands Branch)

Société Financière Européenne Finance Company N.V., SFE Group

European Arab Bank

Banque Belge Limited

International Energy Bank Limited

The Royal Bank of Scotland Limited

Internunion Bank (Antilles) N.V.

Agent

Banque Belge Limited



Ferranti will help keep North Sea oil flowing with systems that monitor pipeline integrity for the Forties and Thistle fields and microwave radio relay equipment linking platforms in the Cormorant, Thistle, Piper and Tartan fields.

Ferranti technology is a selling success in the toughest environment in the world.

Confidence, commitment, steady growth. That's Ferranti today.

# FERRANTI

Selling technology

Ferranti Limited, Hollinwood, Lancashire OL7 7JS

## Machining Capacity Required

CAPACITY IS REQUIRED FOR THE PRECISION DRILLING AND REAMING OF AUTOMOTIVE COMPONENTS IN EN24W ON A PRODUCTION BASIS

SIZE: 91.5 m/m. long x 9.5 m/m diameter  
WEIGHT: 0.04 kg

POSITIONAL AND SYMMETRICAL TOLERANCE OF HOLES: 0.05 m/m

FOR DETAILS:

TELEPHONE MR. A. G. COX OR MR. G. ROBSON 0582-52394

Handwritten signature or mark at the bottom of the page.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

George Bunce on how the agri-industry has learned the lesson of identifying and adapting to changing world trends.

The serious business of real strategic management

ONLY THE best run companies have anything that remotely resembles a sound corporate strategy. Those that do so have no need to broadcast the fact...

Identifying the main trends is the difficult part of formulating a corporate strategy, because it is open-ended. No one can ever be certain that he has identified all the factors that will affect a company's situation...

The very nature of the agri-business chain guarantees that even small local activities will frequently be influenced by events in other countries. A company needs to analyse its own industry and the world environment in which it operates...

When a company begins to question staying solely in its present industry and questions the basis and relevance of its managerial practices, it takes the first steps towards what might be called "strategic management"...

Successful management of change requires the explicit endeavour to modify the managerial stance of a company so that it can attempt to foresee all relevant opportunities for potential business activity...

THE AGRI-BUSINESS PUZZLE. IDENTIFYING THE UNDERLYING STRATEGIC "THEME". Principal trends in all countries, developed and developing: 30% of world's population produce 80% of livestock products...

Trends. The principal trends that emerge from analysis of this sector are shown in the "Agri-business puzzle" table. The key theme running through all this seems to me to be the intensification of production and integration of activities...

Feasible. In these circumstances, the case for general expansion of production capacities by the industry would be frail, but a case for selective expansion in some product sectors could be feasible...

Company chief honoured for getting hands dirty. The eventual result of his company's collaboration with an independent design consultancy, paradoxically called Smallry, was a shallow draft boat with unusual speed and stability...

Forecasts and plans. The anecdote also underlines the fundamental difference between forecasting and planning. The two are far from identical, as will be emphasised by a series of articles on planning...

"Our accounting system was too slow, so my accountant advised me to talk to Philips about a computer." Computers that talk your language. PHILIPS.

Plain sailing. Business life can be rough. There you are making headway through your work, when someone at the helm asks you to organise a conference or seminar. Not simply date, personnel and agenda; but venue, catering and sports facilities too.

Celebration Cabaret Season to mark the 50th Anniversary of London's Grosvenor House. S.B.M. Monte Carlo and Grosvenor Theatrical Productions Ltd. in association with Robin Lounge present LENA HORNE and COUNT BASIE AND HIS ORCHESTRA TOGETHER IN THE UK FOR THE FIRST TIME.

Everyone keeps telling you to do more business in the EEC. But who's helping you to do it? There are a lot of voices these days, from Government down, urging you to look to the EEC for business growth. It's not surprising. The EEC must be one of the most attractive market-places of all time.

LOMBARD

Where Britain is lagging

BY ANATOLE KALETSKY

MANY A British traveller who has tried to cash a cheque in Italy, or to catch a train in America, or to register with the police in Germany or to understand the mentality of a French peasant farmer, is struck by the contrast between Britain's relative industrial backwardness and the streamlined efficiency of many of its services. Its agriculture and even its government...

Entrenched

One reason is that many of Britain's competitors actually benefit from the unproductive skeletons in their economic cupboards, while Britain is singularly unfortunate in that its inefficiency is stuck. It is not just that inefficient distribution and huge retail margins in Japan keep imports out or that France's current account benefits from the Common Agricultural Policy...

Service industries, despite microprocessors, hold out the best hope, because in the service sector the quality of the product is normally improved by the employment of more people in itself. Government is the refuge for surplus labour most favoured by politicians, both in Britain and abroad, when unemployment figures force their hands...

Resist

Government is the refuge for surplus labour most favoured by politicians, both in Britain and abroad, when unemployment figures force their hands. But Mrs Thatcher is determined to resist this temptation. It is certainly arguable that the employment of more bureaucrats automatically reduces the quality of life for everyone else...

UNDER the "ten-year" rule of obstinence recommended before fine clarets of a good year are considered ready to drink end pronounce on the 1968s have still a few months to run. However 1969 cannot be considered a very successful Bordeaux vintage, in spite of the enthusiasm and rising prices with which it was greeted...

The circumstances surrounding the vintage are worth recalling. After the moderate 1967s came the disastrous 1968s, and the 1969 vintage was keenly needed. The summer was good, indeed in part very hot, which always leads to predictions of a great vintage, although excessive heat can lead to flabby, acid-short wines...

Those unshaded by the 1970s of which a few records in the form of a far superior quality. Curiously enough their opening prices were lower, with Lafite at FFR 59,000 and the others around FFR 40,000. However, as the investment to speculation boom took over, these initial prices were soon increased. Yet unlike '63, '65 and '68, '69 is not a vintage that has been arranged, attended by two members of the wine trade, one a leading Master of Wine, their wives, well accustomed to drink...

Ascot going may suit Carelko. A YEAR AGO Royal Ascot got off to a totally unexpected start when Radetzky had nearly everyone turning to his card as he passed the post the 25-1 winner of the Queen Anne Stakes. It could well be that Carelko will follow suit today. In the one-mile Rathmines...

Whereas in 1967 the premiers crus had varied from FFR 27,000 a tonneau (Lafite and Mouton-Rothschild) to FFR 19,000-15,300 (Lafite and Margaux), for the 1968s the first pair opened at FFR 70,000 while the others ranged from FFR 49,000 (Lafite, Haut-Brion and Pétus) to FFR 35,000-32,000 (Morgues and Cheval-Blanc) and in an atmosphere of rising optimism, they sold without much difficulty in the spring of 1970.

It was at that point that I personally sampled a very large range of the 1969 clarets at a tasting held in London to celebrate the centenary of the Médoc. Right on the spot, British agency of the Bordeaux house of Eschenauer. I clearly remembered being very disappointed with the colour and lack of body and fruit of nearly all the wines.

Those unshaded by the 1970s of which a few records in the form of a far superior quality. Curiously enough their opening prices were lower, with Lafite at FFR 59,000 and the others around FFR 40,000. However, as the investment to speculation boom took over, these initial prices were soon increased. Yet unlike '63, '65 and '68, '69 is not a vintage that has been arranged, attended by two members of the wine trade, one a leading Master of Wine, their wives, well accustomed to drink...

Ascot going may suit Carelko. A YEAR AGO Royal Ascot got off to a totally unexpected start when Radetzky had nearly everyone turning to his card as he passed the post the 25-1 winner of the Queen Anne Stakes. It could well be that Carelko will follow suit today. In the one-mile Rathmines...

rather edgy and stringy. Others found the nose elegant, but more body than preceding three, but perhaps a little clumsy. There was unanimous agreement on the colour, but less on the flavour. One found it "more drinkable than the others", but another wrote "green, with peppery acidity, a more bulk than fesspe" was a third comment, and "rather pale in taste" was a fourth.

Lafite. Decidedly big colour. Initially little nose, and then rather immature. Lacking charm and roundness on the palate; rather dull, "unrefined" wine. The fine deep colour was noted by all, but both nose and flavour generally disappointed. "dry, full and big, but rather austere", "full, earthy, deep, slightly crude but tough", "not very full of flavour", "Curious sweet-sour aroma. Flavour sweetish but undistinguished, with distinct chaptalised (sugared) taste. One note was "broad yet volatile nose, another, "chunky flavour, but by twist of acidity at end", and "rather raw on the palate". Disappointment was general with this wine that might have been expected to show comparatively fruitiness in such a year, as did the following wine.

Pétus. More colour than Cheval-Blanc. Lovely scented nose, with the concentrated taste typical of Pomerol, but with some chaptalised quality. Other remarks included "velvety, fragrant nose", "the fattest wine", and "not as exciting as Lafite but better balanced". Two others wrote "rather bitter on after-taste, but scented, full" and "disappointing in depth but obvious in flavour". The wine was generally liked, save by one of the women tasters who found it hiousy.

The order of preference can be deduced from the marks awarded: Lafite (27), Pétus (24), Haut-Brion (32), Latour (21), Mouton-Rothschild (20), Cheval-Blanc (18) and Margaux (16). As will be seen, Lafite was given the top mark of seven throughout, Margaux the bottom one of one. The male tasters were more enthusiastic over the Pétus than the female, one of whom marked it only four. In my view, the preferences largely depend on a matter of taste between Médoc and Pomerol. As must always be warned on these occasions, the wines were based on single bottles of each wine, and these can vary considerably even when comparatively young. All were from my cellar except for the Cheval-Blanc, which the firm of Blanc and Haywood kindly broke a dozen case. The main conclusion to be drawn is that even the top 1968s have little more to offer, and any owners of clarets of this vintage would be well advised to drink them up without further delay. Further comment might be the further comment picked a winner, and cut out empty still applies in Bordeaux.

colour yet, rather "green" aroma, but good flavour and more body than preceding three, but perhaps a little clumsy. There was unanimous agreement on the colour, but less on the flavour. One found it "more drinkable than the others", but another wrote "green, with peppery acidity, a more bulk than fesspe" was a third comment, and "rather pale in taste" was a fourth.

Lafite. Decidedly big colour. Initially little nose, and then rather immature. Lacking charm and roundness on the palate; rather dull, "unrefined" wine. The fine deep colour was noted by all, but both nose and flavour generally disappointed. "dry, full and big, but rather austere", "full, earthy, deep, slightly crude but tough", "not very full of flavour", "Curious sweet-sour aroma. Flavour sweetish but undistinguished, with distinct chaptalised (sugared) taste. One note was "broad yet volatile nose, another, "chunky flavour, but by twist of acidity at end", and "rather raw on the palate". Disappointment was general with this wine that might have been expected to show comparatively fruitiness in such a year, as did the following wine.

Pétus. More colour than Cheval-Blanc. Lovely scented nose, with the concentrated taste typical of Pomerol, but with some chaptalised quality. Other remarks included "velvety, fragrant nose", "the fattest wine", and "not as exciting as Lafite but better balanced". Two others wrote "rather bitter on after-taste, but scented, full" and "disappointing in depth but obvious in flavour". The wine was generally liked, save by one of the women tasters who found it hiousy.

The order of preference can be deduced from the marks awarded: Lafite (27), Pétus (24), Haut-Brion (32), Latour (21), Mouton-Rothschild (20), Cheval-Blanc (18) and Margaux (16). As will be seen, Lafite was given the top mark of seven throughout, Margaux the bottom one of one. The male tasters were more enthusiastic over the Pétus than the female, one of whom marked it only four. In my view, the preferences largely depend on a matter of taste between Médoc and Pomerol. As must always be warned on these occasions, the wines were based on single bottles of each wine, and these can vary considerably even when comparatively young. All were from my cellar except for the Cheval-Blanc, which the firm of Blanc and Haywood kindly broke a dozen case. The main conclusion to be drawn is that even the top 1968s have little more to offer, and any owners of clarets of this vintage would be well advised to drink them up without further delay. Further comment might be the further comment picked a winner, and cut out empty still applies in Bordeaux.

rather edgy and stringy. Others found the nose elegant, but more body than preceding three, but perhaps a little clumsy. There was unanimous agreement on the colour, but less on the flavour. One found it "more drinkable than the others", but another wrote "green, with peppery acidity, a more bulk than fesspe" was a third comment, and "rather pale in taste" was a fourth.

Lafite. Decidedly big colour. Initially little nose, and then rather immature. Lacking charm and roundness on the palate; rather dull, "unrefined" wine. The fine deep colour was noted by all, but both nose and flavour generally disappointed. "dry, full and big, but rather austere", "full, earthy, deep, slightly crude but tough", "not very full of flavour", "Curious sweet-sour aroma. Flavour sweetish but undistinguished, with distinct chaptalised (sugared) taste. One note was "broad yet volatile nose, another, "chunky flavour, but by twist of acidity at end", and "rather raw on the palate". Disappointment was general with this wine that might have been expected to show comparatively fruitiness in such a year, as did the following wine.

Pétus. More colour than Cheval-Blanc. Lovely scented nose, with the concentrated taste typical of Pomerol, but with some chaptalised quality. Other remarks included "velvety, fragrant nose", "the fattest wine", and "not as exciting as Lafite but better balanced". Two others wrote "rather bitter on after-taste, but scented, full" and "disappointing in depth but obvious in flavour". The wine was generally liked, save by one of the women tasters who found it hiousy.

The order of preference can be deduced from the marks awarded: Lafite (27), Pétus (24), Haut-Brion (32), Latour (21), Mouton-Rothschild (20), Cheval-Blanc (18) and Margaux (16). As will be seen, Lafite was given the top mark of seven throughout, Margaux the bottom one of one. The male tasters were more enthusiastic over the Pétus than the female, one of whom marked it only four. In my view, the preferences largely depend on a matter of taste between Médoc and Pomerol. As must always be warned on these occasions, the wines were based on single bottles of each wine, and these can vary considerably even when comparatively young. All were from my cellar except for the Cheval-Blanc, which the firm of Blanc and Haywood kindly broke a dozen case. The main conclusion to be drawn is that even the top 1968s have little more to offer, and any owners of clarets of this vintage would be well advised to drink them up without further delay. Further comment might be the further comment picked a winner, and cut out empty still applies in Bordeaux.

Ascot going may suit Carelko

A YEAR AGO Royal Ascot got off to a totally unexpected start when Radetzky had nearly everyone turning to his card as he passed the post the 25-1 winner of the Queen Anne Stakes. It could well be that Carelko will follow suit today. In the one-mile Rathmines...

London Bells and I hope to see this bay by Nijinsky out of Shake A Leg making it third time lucky. Equipped with blinkers following a short-haul defeat by Jay Bird at Leopardstown, where he was sent to post the 100-30 favourite, London Bells can confirm his sparkling homecoming with a comfortable victory. Of the home-trained contingent Varango looks a better proposition than Kellord or Final Straw.

ROYAL ASCOT. 2.30-Carlito. 3.07-Lyphard's Wish. 3.45-Matka. 4.20-London Bells. 4.55-Expensive. 5.30-Young Generation. EDINBURGH. 2.15-Gracious Manner. 2.45-Madame Decoy. 3.15-Principality. 3.45-Lady Whitefoot.

RACING

Stakes on soft ground at Leopardstown early last month Carelko just held on from Ardoulem after coming to the end of his tether close to home. It was the same inability truly to get a mile on anything but good ground which proved his downfall in the Kilrush Stakes on the same course just over two weeks ago.

ROYAL ASCOT

2.30-Carlito. 3.07-Lyphard's Wish. 3.45-Matka. 4.20-London Bells. 4.55-Expensive. 5.30-Young Generation. EDINBURGH. 2.15-Gracious Manner. 2.45-Madame Decoy. 3.15-Principality. 3.45-Lady Whitefoot.

ENTERTAINMENT GUIDE

OPERAS & BALLET. COLLEGIUM. Great Opera. 8.00. 8.15. 8.30. 8.45. 9.00. 9.15. 9.30. 9.45. 10.00. 10.15. 10.30. 10.45. 11.00. 11.15. 11.30. 11.45. 12.00. 12.15. 12.30. 12.45. 13.00. 13.15. 13.30. 13.45. 14.00. 14.15. 14.30. 14.45. 15.00. 15.15. 15.30. 15.45. 16.00. 16.15. 16.30. 16.45. 17.00. 17.15. 17.30. 17.45. 18.00. 18.15. 18.30. 18.45. 19.00. 19.15. 19.30. 19.45. 20.00. 20.15. 20.30. 20.45. 21.00. 21.15. 21.30. 21.45. 22.00. 22.15. 22.30. 22.45. 23.00. 23.15. 23.30. 23.45. 24.00. 24.15. 24.30. 24.45. 25.00. 25.15. 25.30. 25.45. 26.00. 26.15. 26.30. 26.45. 27.00. 27.15. 27.30. 27.45. 28.00. 28.15. 28.30. 28.45. 29.00. 29.15. 29.30. 29.45. 30.00. 30.15. 30.30. 30.45. 31.00. 31.15. 31.30. 31.45. 32.00. 32.15. 32.30. 32.45. 33.00. 33.15. 33.30. 33.45. 34.00. 34.15. 34.30. 34.45. 35.00. 35.15. 35.30. 35.45. 36.00. 36.15. 36.30. 36.45. 37.00. 37.15. 37.30. 37.45. 38.00. 38.15. 38.30. 38.45. 39.00. 39.15. 39.30. 39.45. 40.00. 40.15. 40.30. 40.45. 41.00. 41.15. 41.30. 41.45. 42.00. 42.15. 42.30. 42.45. 43.00. 43.15. 43.30. 43.45. 44.00. 44.15. 44.30. 44.45. 45.00. 45.15. 45.30. 45.45. 46.00. 46.15. 46.30. 46.45. 47.00. 47.15. 47.30. 47.45. 48.00. 48.15. 48.30. 48.45. 49.00. 49.15. 49.30. 49.45. 50.00. 50.15. 50.30. 50.45. 51.00. 51.15. 51.30. 51.45. 52.00. 52.15. 52.30. 52.45. 53.00. 53.15. 53.30. 53.45. 54.00. 54.15. 54.30. 54.45. 55.00. 55.15. 55.30. 55.45. 56.00. 56.15. 56.30. 56.45. 57.00. 57.15. 57.30. 57.45. 58.00. 58.15. 58.30. 58.45. 59.00. 59.15. 59.30. 59.45. 60.00. 60.15. 60.30. 60.45. 61.00. 61.15. 61.30. 61.45. 62.00. 62.15. 62.30. 62.45. 63.00. 63.15. 63.30. 63.45. 64.00. 64.15. 64.30. 64.45. 65.00. 65.15. 65.30. 65.45. 66.00. 66.15. 66.30. 66.45. 67.00. 67.15. 67.30. 67.45. 68.00. 68.15. 68.30. 68.45. 69.00. 69.15. 69.30. 69.45. 70.00. 70.15. 70.30. 70.45. 71.00. 71.15. 71.30. 71.45. 72.00. 72.15. 72.30. 72.45. 73.00. 73.15. 73.30. 73.45. 74.00. 74.15. 74.30. 74.45. 75.00. 75.15. 75.30. 75.45. 76.00. 76.15. 76.30. 76.45. 77.00. 77.15. 77.30. 77.45. 78.00. 78.15. 78.30. 78.45. 79.00. 79.15. 79.30. 79.45. 80.00. 80.15. 80.30. 80.45. 81.00. 81.15. 81.30. 81.45. 82.00. 82.15. 82.30. 82.45. 83.00. 83.15. 83.30. 83.45. 84.00. 84.15. 84.30. 84.45. 85.00. 85.15. 85.30. 85.45. 86.00. 86.15. 86.30. 86.45. 87.00. 87.15. 87.30. 87.45. 88.00. 88.15. 88.30. 88.45. 89.00. 89.15. 89.30. 89.45. 90.00. 90.15. 90.30. 90.45. 91.00. 91.15. 91.30. 91.45. 92.00. 92.15. 92.30. 92.45. 93.00. 93.15. 93.30. 93.45. 94.00. 94.15. 94.30. 94.45. 95.00. 95.15. 95.30. 95.45. 96.00. 96.15. 96.30. 96.45. 97.00. 97.15. 97.30. 97.45. 98.00. 98.15. 98.30. 98.45. 99.00. 99.15. 99.30. 99.45. 100.00. 100.15. 100.30. 100.45. 101.00. 101.15. 101.30. 101.45. 102.00. 102.15. 102.30. 102.45. 103.00. 103.15. 103.30. 103.45. 104.00. 104.15. 104.30. 104.45. 105.00. 105.15. 105.30. 105.45. 106.00. 106.15. 106.30. 106.45. 107.00. 107.15. 107.30. 107.45. 108.00. 108.15. 108.30. 108.45. 109.00. 109.15. 109.30. 109.45. 110.00. 110.15. 110.30. 110.45. 111.00. 111.15. 111.30. 111.45. 112.00. 112.15. 112.30. 112.45. 113.00. 113.15. 113.30. 113.45. 114.00. 114.15. 114.30. 114.45. 115.00. 115.15. 115.30. 115.45. 116.00. 116.15. 116.30. 116.45. 117.00. 117.15. 117.30. 117.45. 118.00. 118.15. 118.30. 118.45. 119.00. 119.15. 119.30. 119.45. 120.00. 120.15. 120.30. 120.45. 121.00. 121.15. 121.30. 121.45. 122.00. 122.15. 122.30. 122.45. 123.00. 123.15. 123.30. 123.45. 124.00. 124.15. 124.30. 124.45. 125.00. 125.15. 125.30. 125.45. 126.00. 126.15. 126.30. 126.45. 127.00. 127.15. 127.30. 127.45. 128.00. 128.15. 128.30. 128.45. 129.00. 129.15. 129.30. 129.45. 130.00. 130.15. 130.30. 130.45. 131.00. 131.15. 131.30. 131.45. 132.00. 132.15. 132.30. 132.45. 133.00. 133.15. 133.30. 133.45. 134.00. 134.15. 134.30. 134.45. 135.00. 135.15. 135.30. 135.45. 136.00. 136.15. 136.30. 136.45. 137.00. 137.15. 137.30. 137.45. 138.00. 138.15. 138.30. 138.45. 139.00. 139.15. 139.30. 139.45. 140.00. 140.15. 140.30. 140.45. 141.00. 141.15. 141.30. 141.45. 142.00. 142.15. 142.30. 142.45. 143.00. 143.15. 143.30. 143.45. 144.00. 144.15. 144.30. 144.45. 145.00. 145.15. 145.30. 145.45. 146.00. 146.15. 146.30. 146.45. 147.00. 147.15. 147.30. 147.45. 148.00. 148.15. 148.30. 148.45. 149.00. 149.15. 149.30. 149.45. 150.00. 150.15. 150.30. 150.45. 151.00. 151.15. 151.30. 151.45. 152.00. 152.15. 152.30. 152.45. 153.00. 153.15. 153.30. 153.45. 154.00. 154.15. 154.30. 154.45. 155.00. 155.15. 155.30. 155.45. 156.00. 156.15. 156.30. 156.45. 157.00. 157.15. 157.30. 157.45. 158.00. 158.15. 158.30. 158.45. 159.00. 159.15. 159.30. 159.45. 160.00. 160.15. 160.30. 160.45. 161.00. 161.15. 161.30. 161.45. 162.00. 162.15. 162.30. 162.45. 163.00. 163.15. 163.30. 163.45. 164.00. 164.15. 164.30. 164.45. 165.00. 165.15. 165.30. 165.45. 166.00. 166.15. 166.30. 166.45. 167.00. 167.15. 167.30. 167.45. 168.00. 168.15. 168.30. 168.45. 169.00. 169.15. 169.30. 169.45. 170.00. 170.15. 170.30. 170.45. 171.00. 171.15. 171.30. 171.45. 172.00. 172.15. 172.30. 172.45. 173.00. 173.15. 173.30. 173.45. 174.00. 174.15. 174.30. 174.45. 175.00. 175.15. 175.30. 175.45. 176.00. 176.15. 176.30. 176.45. 177.00. 177.15. 177.30. 177.45. 178.00. 178.15. 178.30. 178.45. 179.00. 179.15. 179.30. 179.45. 180.00. 180.15. 180.30. 180.45. 181.00. 181.15. 181.30. 181.45. 182.00. 182.15. 182.30. 182.45. 183.00. 183.15. 183.30. 183.45. 184.00. 184.15. 184.30. 184.45. 185.00. 185.15. 185.30. 185.45. 186.00. 186.15. 186.30. 186.45. 187.00. 187.15. 187.30. 187.45. 188.00. 188.15. 188.30. 188.45. 189.00. 189.15. 189.30. 189.45. 190.00. 190.15. 190.30. 190.45. 191.00. 191.15. 191.30. 191.45. 192.00. 192.15. 192.30. 192.45. 193.00. 193.15. 193.30. 193.45. 194.00. 194.15. 194.30. 194.45. 195.00. 195.15. 195.30. 195.45. 196.00. 196.15. 196.30. 196.45. 197.00. 197.15. 197.30. 197.45. 198.00. 198.15. 198.30. 198.45. 199.00. 199.15. 199.30. 199.45. 200.00. 200.15. 200.30. 200.45. 201.00. 201.15. 201.30. 201.45. 202.00. 202.15. 202.30. 202.45. 203.00. 203.15. 203.30. 203.45. 204.00. 204.15. 204.30. 204.45. 205.00. 205.15. 205.30. 205.45. 206.00. 206.15. 206.30. 206.45. 207.00. 207.15. 207.30. 207.45. 208.00. 208.15. 208.30. 208.45. 209.00. 209.15. 209.30. 209.45. 210.00. 210.15. 210.30. 210.45. 211.00. 211.15. 211.30. 211.45. 212.00. 212.15. 212.30. 212.45. 213.00. 213.15. 213.30. 213.45. 214.00. 214.15. 214.30. 214.45. 215.00. 215.15. 215.30. 215.45. 216.00. 216.15. 216.30. 216.45. 217.00. 217.15. 217.30. 217.45. 218.00. 218.15. 218.30. 218.45. 219.00. 219.15. 219.30. 219.45. 220.00. 220.15. 220.30. 220.45. 221.00. 221.15. 221.30. 221.45. 222.00. 222.15. 222.30. 222.45. 223.00. 223.15. 223.30. 223.45. 224.00. 224.15. 224.30. 224.45. 225.00. 225.15. 225.30. 225.45. 226.00. 226.15. 226.30. 226.45. 227.00. 227.15. 227.30. 227.45. 228.00. 228.15. 228.30. 228.45. 229.00. 229.15. 229.30. 229.45. 230.00. 230.15. 230.30. 230.45. 231.00. 231.15. 231.30. 231.45. 232.00. 232.15. 232.30. 232.45. 233.00. 233.15. 233.30. 233.45. 234.00. 234.15. 234.30. 234.45. 235.00. 235.15. 235.30. 235.45. 236.00. 236.15. 236.30. 236.45. 237.00. 237.15. 237.30. 237.45. 238.00. 238.15. 238.30. 238.45. 239.00. 239.15. 239.30. 239.45. 240.00. 240.15. 240.30. 240.45. 241.00. 241.15. 241.30. 241.45. 242.00. 242.15. 242.30. 242.45. 243.00. 243.15. 243.30. 243.45. 244.00. 244.15. 244.30. 244.45. 245.00. 245.15. 245.30. 245.45. 246.00. 246.15. 246.30. 246.45. 247.00. 247.15. 247.30. 247.45. 248.00. 248.15. 248.30. 248.45. 249.00. 249.15. 249.30. 249.45. 250.00. 250.15. 250.30. 250.45. 251.00. 251.15. 251.30. 251.45. 252.00. 252.15. 252.30. 252.45. 253.00. 253.15. 253.30. 253.45. 254.00. 254.15. 254.30. 254.45. 255.00. 255.15. 255.30. 255.45. 2



THE ARTS

Stratford, Ontario—1

Love's Labour's Lost/Henry IV

by B. A. YOUNG

Love's Labour's Lost, the first production in the big theatre at this year's Stratford festival, is Robin Phillips' only new work in the month's programme, and even this he shares with his literary adviser, Urjo Kareto. It looks characteristically lovely under the spreading golden willow tree at the centre of Daphne Dare's set, where the young men-about-court of Navarre lie in the sun while their shirts dry on the fence. It is more like Swift's Laputa than a Hattie's Academy. The period flirts with late Victorian fashion but remains concordant with a curly-haired gramophone on which Marcade plays a gopak for the "Muscovites" to dance to and a SML&E rifle (under whose not very threatening menace Costard is marched away to serve a month on bread and water).

The mood is casual-romantic; even the magical conclusion is softened — mistakenly to my mind — to blunt the sharp incursion of reality into the festive air. Alan Scarfe's King could move into the world of The Vagabond King if only his minions would stop lounging around in their braces.

I saw this production twice, because the first performance (in the presence of the Governor General) seemed to me improbably below the standard of Stratford theatre, which is normally as high as anywhere I have been. I am glad I did, even though I missed a Richard II at the Avon, Stratford's smaller house, for the second time a new relaxation had fallen on the company, the gabbling speech was properly spoken, the whole thing had taken on a new life.

There are some choice performances. The Princess of France is played by Marsha Henry, an actress it is always worth flying 3,000 miles to see, even in a DC-10. She is ravishingly beautiful under an auburn wig, and the firm common sense she puts into her lines never damps the romance. Dominik Elythe is her Rosaline, in a performance full of mischief through which you can discern Shakespeare's cheeky boy actor with his pitch-ball eyes.

On the Navarrese side, she is well matched with Richard Monette, whose understated wit gives promise of a notable Benedick one day. For Berowne, a slightly more evasive sense of humour would not in any harm, all the same, and could wish Mr. Monette a more elegant line in the long speeches. In this season, with no inter-seasonal stars, the permanent company takes the light more brightly, and Mr. Monette, who also plays Prince Hal and is to play Edmund in King Lear later in the year, serves it uncommonly well.

It's my misfortune, but I can't read the polysyllabic jokes of Armado and Holofernes as funny as they doubtless seemed when they were topical references. (Love's Labour's

Lost is Shakespeare's That Was the Week, That Was.) It is a truly Shakespearean joke, however, to have Max Helpmann give Holofernes in the likeness of Robertson Davies, Ontario's G. K. Chesterton.

Armado is played by Frank Maradeh, an actor of immense height and negligible girth, who looks wonderfully absurd in his cocked hat and tight uniform coat, yet suggests under his absurdity that he has indeed been a reputable Spanish officer of some kind. It's a pity in a way to cast Richard McMillan, an actor almost as tall, to play Costard, but he fits the part like a glove, a gammet perhaps (and only varies it a little when his name is changed to Francis

They are sung in the guise of Victorian ballads by Gerald Isaac, who earlier has been an adult Moth to Armado, and I don't grudge him the opportunity to show his voice, even though it doesn't please me much, since earlier, when Armado has repeatedly urged him "Warble, boy," he just gets to bum a tune to himself. But those sentimental songs set by Berthold Carriere spoil the picture for me.

The repertoire in the main Festival Theatre is completed in this first month by both parts of Henry IV in an outstanding production under Peter Moss. The production is conventional, you might say conservative,

confirm that what he foretold is actually happening). The back walls of the theatre frown under Michael J. Whitfield's sensitive lighting. It is never bright in this age of conflict.

Douglas Rain gives a fine Henry, a man tormented by his conscience, relapsing now and then from the angry defiance of his uncertain throne into another weary promise of a pilgrimage to the Holy Land. He speaks the lines with a rare combination of poetry and everyday good sense. (All the speaking in this production is very good.) The death scene in Part II is most sensitive; and at his bedside his untidy son Hal comes magically of age as Richard Monette, after trying on the crown, decides almost visibly to turn from a drop-out into a monarch. While he was the drop-out I wished, as I had with Berowne, that there was a little more mischief in his make-up when he plans and executes all those ill-timed jokes. (Hal, even as a monarch, is by no means my favourite character.)

As his rival Henry, Henry ("Hotspur") Percy, there is a handsome performance by Stephen Russell, a big, outdoors-looking player; his unwillingness to pass even a short night with his wife (Margot Dionne) is in the circumstances hard to explain.

The lowlife scenes are colourfully led by Lewis Gordon's gentlemanly Falstaff, a knight who brings into the stew a hint of the good manners he must have known in the old days. His encounter with the Lord Chief Justice (Max Helpmann) is an encounter between two amusing old gentlemen. Not that Mr. Gordon doesn't manage his strange oaths well enough, though I was sorry not to hear him say "Fillip me with a three-man beetle!" He tells his outrageous lies with no more impropriety than a fisherman exaggerating his catch, and the Gadshill robbery is covered with the clarity of a thriller. Jennifer Phipps is a motherly hostess, and in Part II there is a brief appearance by Marsha Henry as Doll Tearsheet, an ageing blonde engaged in a battle with syphilis, that is one of the most terrifying things I ever saw.

Cedric Smith and Mervyn Blake make a sweet pair of dotards as Shallow and Silence. The scenes in the Gloucestershire garden with their autumnal peace make a fine preparation for the Coronation. This is done with all stops out, a handsome procession passing through an eager throng, the stage crowded from side to side until the fatal meeting of the new King and his disreputable old cronies.

Since guessing which Canadian will succeed Robin Phillips when he resigns as artistic director is a favourite sport in the Canadian theatre, I think it is inevitable that on the strength of this production Peter Moss's name must rise considerably in the charts.



Alan Scarfe and Marsha Henry

in Henry IV). Would the King and the Princess, or even the Don, really let him talk to them with his hands in his pockets, though?

No one ever seems sure who should speak the closing lines about the words of Mercury and the songs of Apollo. Phillips and Kareto give them to the King, and they deny him the final words: "You that way, we this way," which always seem to me astonishing and so vital. But this scene has been drained of its usual character. As song as Marcade announces the news of the French King's death, the peasants slope off and the aristocracy alone remain. Details of parting and retribution having been settled, the countryfolk return and the owl, and the cuckoo songs are sung.

given that it is played on a thrust stage with the audience on three sides of it. When the battles come, there are companies of soldiers to fight them, clashing their swords and never retreating into strobe lights and slow motion as the tendency is among our own companies, starved of enough cinema-fodder for a proper conflict. In this production there are 50 players, if my estimate is right, lots of them doubling several parts. Yet it is not played simply to look "impressive."

The willow-tree is gone, to be replaced by an inner pavilion with a useful balcony on top (notably effective when Rumour (John Wojda), not "painted full of tongues," but black-clad like Dracula, appears there as if to

New Art Centre/House

Prunella Clough/Jenny Stein

by WILLIAM PACKER

Prunella Clough needs no special argument in her defence: she is quite simply one of the best painters we have, in her own or in any other generation. Her show of recent work (at the New Art Centre until June 23), as has always been the case with her, is a natural priority for anyone with the slightest pretence to an interest in contemporary art. The fact that she is not better known here, let alone abroad, is due more, perhaps, to her modest and retiring temperament than to any lack of painterly ambition. For her work can assert itself in the best of company; but it must be said that she has not enjoyed the official support that should have been hers by right. Like all but a lucky handful of her peers she must still teach to earn her living, yet another distinguished victim of our curious system whereby the artist is rewarded to the precise degree that he abandons the practice of his art. Cut down your teaching and you cut down your income; and there is hardly a tax inspector in the country who would view such a voluntary reduction without suspicion.

But back to Miss Clough's own paintings: the immediate impression is of a variety of beautiful surfaces and rich effects, all well controlled and sustained but suggesting a certain lack of consistent application, as though that variety and easy sophistication were enough in themselves, all effect and no substance. Even now, though I hope we are growing out of it, we tend to distrust physical beauty in Art as being somehow unserious, the mandarin approach, impossibly (horrid word) elitist, and this self-denying predisposition may well explain how it is that Miss Clough has remained in the shadows for so long, with no obvious theory or programme to persuade or distract the critic and curator from the formal and decorative elegance of her work.

Elegance and sophistication are there all right, but what they register so beautifully, and with such deceptive assurance and ease, is the final expression of a most thoughtful and intelligent response to the

visible world and the art it stimulates. The seductively decorative presence of each finished work need in no way vitiate, though it might disguise, the seriousness and strength of the purpose behind it. And simply to see these final, superficial qualities, and nothing else, is most mistaken.

She takes her imagery from things seen, improvising and elaborating upon them with a delicately inventive playfulness that recalls no-one so much as Paul Klee; and this base in reality means that, no matter how extended the abstraction, the work never loses its suggestibility. There is a sense in which all abstraction is a kind of landscape painting, and in her paintings, so finely tuned, so well constructed, we move through that imagined space with its elliptical reference, and quietly surreal commentary upon the one we actually inhabit. The titles to the works, the conscious evocation of Pastoral and Wasteland, of Gate, Wire and Underpass, reinforce the imaginative connection.

House is what the name says it is, a private house, 62 Regent's Park Road, that has become a Gallery, and in difficult times, by the quality of the work shown in it, is already something of an institution. Jenny Stein, sometime director of the Whitechapel Gallery, unable to find suitable premises, decided to turn over to Art her ground floor rooms, *fontic de mieu*; and it turns out that she could hardly have done better. Of London's smaller showing spaces hers is as good as any, sympathetic to a wide variety of work and capable of showing off to advantage all but the very largest. North of the Park London becomes another, stranger city, and a long way off to the poor southerner (though friends do say that it is not as far away as all that, and even go so far as to live there), but the special journey to House has never been less than a pleasure, and has long been a necessary stop on the critical round.

Finally, brief comments on two other shows. Angela Flowers, who was much missed during her temporary retirement, has been dealing for a



Jenny Stein in The House

month or two now from her new premises in Tottenham News (just below Arnoy Judo). At the moment she is showing up to realise that her enterprise had been running for three full years, and the current show is a celebration of that happy survival. And more than that, it recalls every show with one work by the particular artist. The list is impressive, from the memorial show to Michael Fussell, the very first of all, and continuing through such artists as Rachel Fenner, Brian Falconbridge, Ian Friend, John McLean, Evelyn Williams and Wynn Jones. The anthology remains on view until July 15. Finally, brief comments on Mrs. Stein's intention has always been to show the work of younger artists, and of those who for any number of reasons

Festival Hall

LSO at 75

by DAVID MURRAY

With Prince Charles and other notables on hand to offer compliments, the London Symphony Orchestra celebrated its 75th anniversary on Sunday night. Eight days late, to be exact, it was on June 9, 1904, that Henry Wood's breakaway players first appeared at the SO at the Queen's Hall. Can they have imagined that they were founding an institution of such distinction?

Those of us not in a position to feel nostalgic for the Queen's Hall had cause to regret it nonetheless. The calculated, austere mystery of the festival Hall can place strange and over-orchestral sound; it is time it was Brahms who fared, with Vladimir Ashkenazy's heavily efficient account, the Piano Concerto no. 1 emerging from a thick, homogenous welter. The veils parted little for the Adagio and veiled some limpid depths, it in the outer movements anything that the conductor Andre Previn may have done

to clarify Brahms's problematic scoring went for very little.

The primary-colour scoring of Andrzej Panufnik's commissioned piece *d'occasion*, Concerto Festivo, was not compromised, and the conductorless performance sounded entirely confident. The brass writing in its opening Solenne produced some attractive sonorities; matters became more conventioned thereafter, with a string interlude in Panufnik's earlier manner and a final Glouco which rose to a numbing superfortissimo. The second half of the concert brought Rakhmaninov's Second Symphony, which Previn obviously holds in great affection. Here the sumptuous high-band sound was as full and swooning as anyone could possibly have wished, and Rakhmaninov's idiom as thoroughly assimilated as earlier Brahms's had been haltingly rendered. The Hall's electronic aids are evidently well-adjusted to Rakhmaninov, at least—and the LSO may acquire a newly-balanced diet with the arrival in September of Claudio Abbado as their new Principal Conductor.

Dame Marie Rambert honoured

Dame Marie Rambert, 91, founder of the Ballet Rambert, who is Polish-born, is to receive the Golden Medal of the Order of Merit of the Polish People's Republic, one of its highest state honours, for outstanding contribution to cultural relations.

Sadler's Wells

Gayane

Finnish Week in Rosebery Avenue ended with three appearances by the National Ballet which shares the Helsinki opera house with the National Opera. *Gayane*, brought in a staging by Elsa Sylvesterston, is an Armenian Dapnis and Chloé, with a strong score by Khachaturian, rich in re-worked folk melodies and dramatic effects. I have little taste for peasant antics, but the vitality of the music, which seems to engage the beat of Khachaturian's muse, and the involvement of the Finnish dancers, made for agreeable enough entertainment.

The story is thin. Giko loves the fair Gayane, who loves Armen, who loves her in return; Giko attempts to force his attentions on Gayane, all but strangling her in the process. Gayane and Armen are united, while Giko is ostracised by Armenian lads in baggy long johns. Thus ends the second Act, and Act 3 is devoted to a wedding divertissement of folk dances. On Friday night the Finnish dancers gave heart-whole performances that did much to persuade us of some validity in the drama, in which task the energy of the score was a great help. Design, by Seppo Nurminen, was excellent—a forest of cords stretching up to the flies, echoing the lines on which Armenian carpets, that feature in the decoration, are woven. Visually exciting, atmospheric, the setting offered an abstraction of folk elements which could with advantage have been matched in the choreography.

Mme. Sylvesterston has obeyed her score in turning to the national dances of Armenia—

there is much in the girls' dances of the near oriental poses we know from folk troupes—but it is a manner which stereotypes the characters keeping them as anonymous as members of a folk dance ensemble rather than exploring them as men and women having a high drama to play out.

Ulrika Hallberg and Hannu Pekka Holmström were the lovers, Jyrki Järvinen the villain, and they did well, though I did not find my emotions especially engaged by the dramatic conflict. The uneven progress of the tale is illuminated, and in the last act superseded, by the folk dance elements. Here the cast can unleash a lot of energy in a shepherds dance, a *leginka*, a Russian dance, and because the score is what it is—the sabre dance (short on numbers, but long on ferocious expressions and the clash of blades). These the Finns do with great verve, and Mme. Sylvesterston has set them out with a nice feeling for their theatrical effect as well as for authenticity.

Goyone's problem is in the high, but unexportable, quality of Khachaturian's exciting but far too local score. The kind of peasant drama it propounds is unsuited to a full-evening for Western audiences: a suite of dances using the liveliest numbers could make a jolly ethnic final ballet in a triple bill, but not even the dedication of the Finnish dancers, nor the excellent playing of the company's orchestra under Art Anzurov (whose performance was a lesson to every British ballet company), could make it seem more than a curiosity.

CLEMENT CRISP

The new season at Covent Garden

Four new productions join the Royal Opera House, Covent Garden, repertoire for the 1979-1980 season. One is a new opera, *Therese*, the first full-length composition of John Tavener. It has been commissioned by the Calouste Gulbenkian Foundation with a libretto by Gerald McLarnon. It opens on October 1, with the title role of the French Saint played by Elise Ross.

The other productions are: *Andres Chénier*, by Gioacchino Rossini, having its first Covent Garden production since 1930, with Plácido Domingo in the title role and Riccardo Muti conducting; Donizetti's *Lucrezia Borgia*, which has not been presented since 1888, and with Joan Sutherland as Lucrezia; and *Simon Boccanegra*, with Sherrill Milnes in the title role.

Other major events of the season will be a tour of the Far East, which will cost £1m; a children's opera, *The Pig Organ*, by Richard Blackford and Ted Hughes, to be presented at the Round House in January; and in 1981 a visit to Manchester. On the debit side the increase in VAT will force up seat prices so that for some performances at Covent Garden the best seats will cost over £20. A.T.

# Where When Who What Why?

Increased costs, reduced profit margins and expansion at a price! Yes. We know the problem well. We solve it for someone every day. We've done so for 6000 years. So we've got the experience. That's why we recognise that the search for the right location can leave you punch drunk. Straight answers to straight questions are a must. So we don't deal in waffle, we just deliver.

Who we are. Northampton is a mature county town, a recognised commercial and industrial centre and prosperous growth point.

Where we are. On the M1, midway between London and Birmingham with 50% of Britain's industry and 57% of its population within a hundred mile radius.

What we offer. Better offices, factories, warehouses and sites, plus homes for your employees and all the facilities of a well-established town.

When. It's all available now. Just name the day.

Why choose Northampton. Only you can answer that. It must depend on your requirements. Tell us what they are.

**Northampton**  
middle england

character  
prosperity  
& growth

for a straight answer  
contact Leslie Austin-Crowe BSc FRICS.  
Chief Estate Surveyor  
Northampton Development Corporation  
2-3 Market Square, Northampton NN1 2EN  
0604 34734

Heidsieck Dry Monopole Champagne with all the sparkle and fragrance of France. Shipped by Bouchard & Ald

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF

Telegrams: Finantime, London F94. Telex: 886341/2, 883897

Telephone: 01-245 8000

Tuesday June 19 1979

# Two cheers for SALT

OVER THE last fifteen years or so, the United States has moved from a position of overwhelming superiority in strategic nuclear armaments to one roughly described as parity. Parity is defined as a state of affairs where neither side is likely to gain from launching a nuclear first strike because the victim of the attack would still be left with sufficient nuclear resources to deliver a devastating counter blow. That is the strategic nuclear balance as we know it.

The advantage of superiority for the U.S. and indeed for the western alliance as a whole, was that there were certain actions which the Soviet Union was unlikely to undertake because it feared the possibility of an American nuclear response. The disadvantage was that—unnaturally—the Russians always wanted to catch up and no one could be sure that they would fail to do so. American strategic superiority did not make for a very stable relationship in the long term.

The case for strategic arms limitation agreements between the superpowers has always been that they would put the principle of parity into treaty form, thus limiting if not eliminating strategic competition, while at the same time putting relations between the U.S. and the Soviet Union in general on a better footing.

### The tests

There are therefore two tests which need to be applied to the agreement signed in Vienna yesterday by President Brezhnev and President Carter. The first is whether it will ensure that neither side is likely to be in a position to deliver, or threaten to deliver, a strategic nuclear strike at the other with impunity. This test applies not just to the state of affairs today or next year but also—because of the possibility that both sides have of developing new systems, or improving existing ones, or the situation well into the 1980s. The second test, which is to be applied only if SALT 2 is judged to have passed the first, is whether the agreement is likely to lead to a general improvement in Soviet-American relations.

On the basis of what is known so far, SALT 2 seems to be a treaty worth supporting provided that those who do so are aware of its limitations. There is no way in which it will stop strategic arms competition. Both sides are free to go on refining

existing systems and to develop new ones. Strategic arms expenditure will probably go up as a result—though not by as much as if there were no treaty. In many ways the most important decisions are simply deferred to a later date.

The American decision on the deployment of cruise missiles, for example, is deferred until the end of 1981 when the Protocol to the treaty expires. Discussions on the limitation of non-strategic nuclear weapons and indeed of conventional weapons have been referred either to forums which do not yet exist or which, in so far as they do, have made little progress over the years.

### Gainers

Yet if SALT 2 could act as a spur to other measures of arms control, that would itself be a partial justification. The Americans would still have to watch that the military balance—not just the strategic balance—did not get out of hand. But at least the negotiating process between the superpowers would again be under way. That is why, on the basis of the parity test, we are inclined to give SALT 2 the benefit of the doubt: not for what it is but for what it might bring.

The test of the effect on Soviet-American relations, however, is much harder. The real gainers from SALT so far have been the Russians since they have achieved strategic parity with the Americans within a decade and are on the brink of having it ratified. If the result is nuclear stalemate, the danger for the Americans is that the Russians will simply intensify their competition in other fields, whether in conventional armaments and/or by moving further into parts of the world which used to be remote from Soviet influence.

### Tilting

It will take time to tell how the Russians respond if and when SALT 2 is approved by the U.S. Senate. It is striking, however, that the balance of power, once so heavily in the Americans' favour, has been tilting steadily in Moscow's direction. What we need now is evidence that the Russians are seriously interested in international stability. They should have a chance to show it in other arms control negotiations, and also in their behaviour around the world. It will do no great harm if this is brought home to them during the American debate on ratification.

# Ghana's search for stability

THE MOST bizarre of circumstances surrounded yesterday's general election in Ghana, which is supposed to have paved the way for a return to civilian rule after seven years of military Government. Just two weeks before the scheduled date of the poll, the retiring military Government of Lt. Gen. Fred Akuffo was overthrown in a coup led by junior officers and other ranks.

The new Government announced that it had not come to stay merely to "house clean" or bring to book those who had abused their positions and profited from bribery and corruption during the Governments of Lt. Gen. Acheampong, who was overthrown last year, and of Lt. Gen. Akuffo. Ghana would still return to civilian rule, but this cleansing process meant the handover date must be delayed from July 1, possibly for as long as three months.

### Economic malaise

Last weekend, the new Government gave an indication of what its "house cleaning" might entail: Gen. Acheampong and a former border police commander were executed by firing squad for alleged corruption, after a trial which is reported to have lasted less than one day. There is no doubt that during Gen. Acheampong's rule corruption on an immense scale flourished. Nor is there much doubt that corruption is a major element of the deep-seated political and economic malaise which afflicts Ghanaian society.

But it is far from clear that the execution will have a deterrent effect on a society where corruption is all-pervasive. Furthermore, whatever Gen. Acheampong's faults, it is greatly to be regretted that he should be despatched after so summary a trial, which runs counter to Ghana's long and distinguished legal tradition. This execution and any others

which follow could set an ugly pattern. Whatever the faults of their country, Ghanaians have up till now settled their political disagreements with remarkably little bloodshed.

### New style

In many respects, the latest military coup can be seen as an example of the manner in which Ghanaian society has lost its political way. After experimenting first with Nkrumahism, then with military Government, next was a multi-party cabinet system and finally with three more military regimes. It is now preparing for an American-style presidential system of Government. It is vitally important that the hand-over to civilian administration takes place this year as promised. Whatever the failings of Ghana's new constitution, civilian Government might at least offer this demoralised and unhappy people a chance to recover a degree of political self-respect and purpose.

### Problems faced

At the same time, Ghana needs a background of political certainty to underpin the tough task any Government will face in trying to revive the economy, shattered by years of declining cocoa production, deficit financing and an over-valued currency. The Akuffo Government set about tackling these problems in a sensible fashion which won the approval of the IMF. It is important that this policy be continued, and it is encouraging that the new Government has reappointed Dr. J. S. L. Abbey, the capable Minister of Economic Planning.

But the economic and political health of Ghana are closely inter-related. It is therefore essential that the new military Government bows out quickly, preferably without further bloodletting.

# Britain's changing pattern of poverty

BY DAVID FREUD

The generous uprating of social security benefit in last week's Budget is unlikely to alter the position of the poor fundamentally, mainly because inflation is expected to catch up with the increase. However, the Conservatives have shown awareness of the dangers in one aspect of State assistance—the widening gap between the various levels of support for the poor.

MORE PEOPLE have been living on or below the official poverty line in Britain over the past few years than at any time in the post-war period.

Much of the increase has probably been due to the upward movement in the definition of poverty. Nevertheless, the figures reveal a radical change in the kind of people affected. Pensioners are still the largest single group of poor, but families with children are now a growing proportion of the total.

There are three underlying reasons for the change. Since 1974 unemployment has more than doubled. At the same time the changing social role of women has meant rapid growth in single-parent families, many of which have low incomes. Finally, the approach developed by the State since the late 1960s to help the poor—through heavy reliance on means-tested benefits—has probably made it more difficult for people to pull themselves out of poverty once they find themselves in it. This is due to the workings of the notorious "poverty trap".

### Rather out of date

The change in the nature of the poor seems not to have been noticed by most politicians. Part of the reason is that the figures revealing the trend are complicated to interpret and rather out of date by the time they are published. The latest set of reliable statistics, for instance, extends only to 1976.

In 1948, when the National Assistance Board was established, about 1m claimants were dependent on national assistance. The figure fluctuated around 1.5m through the 1950s, but by 1966 the number of claimants receiving supplementary benefit had increased to 2.5m. In the following 10 years the total rose to 2.9m.

According to the Royal Commission on the Distribution of Income and Wealth\* the 1976 figure represented 4.7m

recipients plus their dependants, about 9 per cent of the population. The comparable total for 1966 was not available, but it was estimated to have been only 7 per cent of the population.

The main increase appears to have taken place between 1974 and 1976 and for this period there is direct evidence in figures extracted by the Department of Health and Social Security from the Family Expenditure Survey (FES). This shows that the number of people living below the long-term supplementary benefit (SB) level rose from 1.4m to 2.3m during those two years.

Not only was there an increase at the lowest level. The number of claimants and their dependants receiving supplementary benefit also went up—from 3.7m to 4.1m—as did the number living just above the long-term SB level.

In total therefore, between 1974 and 1976 the number living around the poverty line moved up from 11.8m people to 14.9m, more than a quarter of the population.

It is likely that the number of poor has stayed roughly the same since 1976. The steady drop in unemployment during the last 18 months is likely to have reduced their numbers, as will the extension of child benefit. However, these factors have probably been counterbalanced by the growing numbers of long-term unemployed.

The stable numbers receiving supplementary benefit in the last three years support the interpretation that the incidence of poverty has changed little over this period. Are there more poor because the official poverty line has been raised? One problem in assessing this is that there is not one poverty line, but several. The key definitions are the two sets of rates of supplementary benefit—long-term and short-term—paid by the State to those whose income would otherwise fall below these levels.

The higher long-term rate is paid to pensioners and those who have been claimants for more than two years, while the main beneficiaries of the short-term rates are the sick and unemployed who cannot survive on national insurance and those whose earnings in work fall below SB levels.

Since last November the short-term scale has been £25.25 a week for couples, £15.55 for single people and between £4.40 and £9.55 for children, depending on age. The comparable long-term rates have been £31.55, £19.90 and for children the same as the short-term rate. These figures do not include the cost of housing, a variable item in the UK's distorted market, and they are increased by between 17 and 19 per cent next November.

In real terms the poor are about twice as well off as they

were in the years after the war. According to the Diamond Commission the long-term SB rate increased by slightly more than twice the amount of the Retail Price Index between 1948 and 1977, with the bulk of the relative gain coming in the 15 years to 1967.

Over the period as a whole this increase was a little faster than the growth in average male manual earnings, mainly due to a substantial uprating in 1965.

This uprating brought the short-term SB rate from around 25 per cent of average male earnings, where it had been through the 1950s, to about 30 per cent, where it has stayed.

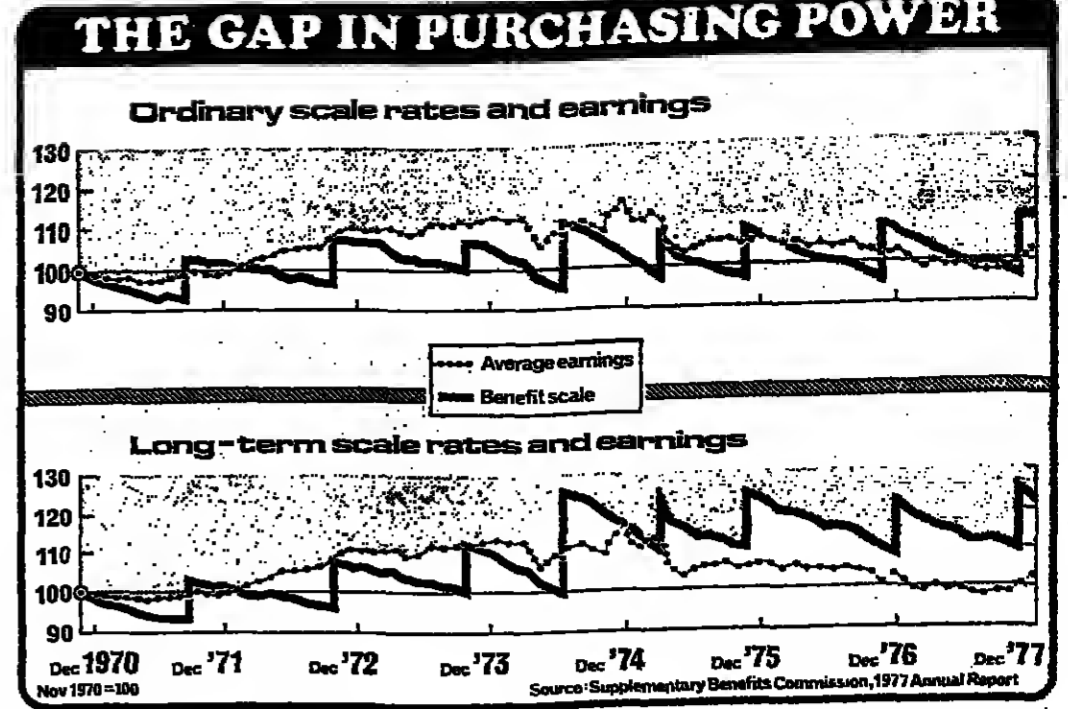
During the 1974-76 period—when the main increase in the numbers of poor occurred—there were grave dangers in real terms, this time of the long-term SB scale. At a time when average real take-home pay fell, this scale moved up in relation to average earnings and prices, whichever was the higher. So it seems likely that the increase in the absolute numbers of poor is largely due to the raising of the official poverty line.

### Widening gap

At the same time there has been a widening gap between the two sets of benefit rates. The long-term rate introduced in 1965 at 11 per cent above the basic rate, but since 1975 the basic rate has lagged behind due to the differential uprating of benefit—long-term in line with the higher of the rise in earnings or prices and short-term in line with prices. The gap now stands at 25 per cent and would have continued to widen if the Chancellor had not changed the policy last week.

There are some signs that those on the lower scale may be worse off in relative terms than they would have been earlier. The Royal Commission presents figures showing that in 1965 25 per cent of families received roughly the same share of UK net income throughout the 1963-76 period. If those on the long-term scale have become relatively better off, this implies that other groups in the lowest quartile—roughly those living below 140 per cent of the long-term scale—have become relatively worse off. And many of these are likely to have been claimants with children—most of whom are on the lower short-term rate.

The differential impact of inflation may also have made those on the lower SB rate worse off than they would have been in earlier years. Although the rate went up roughly in line with the Retail Prices Index, it is widely claimed that



since 1974 the prices of electricity, food and other items which form the bulk of the poor's purchases have gone up faster than the basket of goods making up the RPI.

However, there is a lively dispute taking place on this point between Department of Employment statisticians and the "poverty lobby". Professor David Donnison, chairman of the Supplementary Benefits Commission, argued that there were grave dangers in the widening gap between the two sets of benefit. Quite apart from making those on the short-term rate relatively worse off, it also meant that the long-term rate would eventually catch up with earnings. This would make a backward step as a result of the lower pay built up. The Chancellor's announcement that both sets of benefit would in future move in line with prices shows the Conservatives recognised this danger.

Professor Donnison argues that the relationship between the State support level and average earnings is the correct one, rather than absolute need. Perhaps more significant than the actual number on the poverty line is the fact that the main recruiting ground for the new poor has been households with children. Pensioners, who in 1948 represented 63 per cent of claimants on National Assistance, have diminished as a problem. Even though their numbers had tripled by 1977 they amounted to only 58 per cent of claimants. Furthermore, they now occupy a much larger share of council houses than they did in the 1950s.

Meanwhile unemployed claimants increased from 5 per cent of the total in 1948 to 22 per cent in 1977. The FES comparison shows that whereas the unemployed and their dependants on or below the short-term scale totalled 450,000 in 1974, the figure rose to 1.6m in 1976.

There was also a big rise in single parents and their children on or below the SB scale—from 840,000 to 1.2m. Figures assembled from the Family Expenditure Survey show that there was a total of 1.5m children living in families at or below the poverty line at the end of 1976.

With the growth in the numbers of children living in poverty there seems to have been some relative deterioration in State benefit for large families. Professor Donnison said that over the last three years, claimants with children

bad become slightly worse off than those without. This meant that support for large families in the UK was significantly less than in other Western countries while the international comparison showed rough comparability with smaller families.

His view is strongly supported by a Royal Commission finding that lower-income heads of larger families, as well as single parents, were twice as likely to say they couldn't manage than other family heads.

Mr. Frank Field, the new Labour MP for Birkenhead who is closely associated with the Child Poverty Action Group and Low Pay Unit, argues that the scale of children's benefit is based on nutritional research conducted in the U.S. in the last century. It has never been properly tested and the benefits scale is, he believes, biased in favour of adults.

The state's reaction to the growth in poverty has been to extend, step by step since the late 1960s, the use of means-tested benefits—mainly because this was the cheapest way to deal with the problem. As well as supplementary benefit, means-tested distributions now include Family Income Supplement, rate and rent rebates, rent allowances and free school meals.

### Cheapest way

Failure to take up these benefits, especially among low wage-earners who perhaps do not know they are entitled, is one reason so many people are living below the poverty line.

The Supplementary Benefits Commission estimates that in 1976 about 900,000 people failed to take up about £800m of benefit to which they were entitled. Take-up rates of rent allowances have been estimated by the Royal Commission at as low as ten per cent.

The relationship between the means-tested benefits and the tax system has also led to development of the poverty trap, in which net earnings can fall with increases in wages. People in the trap lose more in benefits than they gain in wages, after tax is taken into account. Some 50,000 households were estimated to be in this position in 1975 and marginal benefit for each extra £1 earned ranged from negative to 49 per cent in no less than 350,000 cases.

This is the area in which

disincentives among the poor are strongest, tending to depress the individual's will to move up the earnings ladder. Disincentive not to work at all is far less. Only 30,000—about one per cent of all claimants—would be better off on the dole than in employment if they claimed all the benefits to which they were entitled, according to Professor Donnison.

Mr. Field argues that the means-tested benefits, through the poverty trap, have meant that State assistance to the poor has become a ceiling rather than a floor. "It has become impossible for individuals to break back into the main stream of the country's life," he states.

At the same time the system has required a vast growth in the bureaucracy to administer it and prevent fraud.

There is probably no cheap way to alleviate the wide-spread poverty as Britain moves into the 1980s. The single most effective development would be rapid economic growth which absorbed all the excess labour on the unemployment registers. However, since optimism is no substitute for policy, time would be better spent investigating ways of adjusting the system in line with the changing pattern of poverty.

This would mean concentrating on the unemployed, large families and single parent households.

One step, urged by the Supplementary Benefits Commission, is to put the unemployed on the more generous longer term benefits scale. This it is estimated, would cost about £80m a year.

But perhaps the first priority should be to take children out of the poverty formula—where supplementary benefit is allowed to enter in the first place.

A first move would be to index the rates of child benefit—which is paid to all mothers—thereby insulating mothers and children from future inflation.

More fundamental—and more expensive—would be to bring up the rates to those paid under the supplementary benefit scale. This would hugely simplify the system, ensuring that adequate provision was made automatically for all children, while at the same time reducing the operation of the poverty trap.

Royal Commission on the Distribution of Income and Wealth, Report No. 6, May, 1978, Command 7173, SO £6.75.

# MEN AND MATTERS

## Refloating the gas balloon

One company that breathed a corporate sigh of relief after the Budget was Calor Gas, which with 35 per cent of the UK propane market is also one of the more active in the field of converting petrol engines to run on it. The Budget did not increase the tax on liquefied propane—since 1972 taxed on a par with diesel and Calor is now set to make a major investment in increasing the number of re-fuelling points. At present there are only about 200 in the UK—compared with at least 1,500 in Holland.

At 55p a gallon, gas has a certain allure about it just now, even with conversion costing £200 and more per vehicle. This involves installing a fairly complicated tank as well as converting the carburettor, but after that cars can be driven on either gas or petrol at the flick of a switch. Calor's general manager, Carl De Camps, admits development of the technology has been "rather bogged down" by taxation. Before gas was taxed, none of the larger companies—knowing the crunch could not be far off—would have any truck with it. After 1972, when the crunch came, gas ceased to hold any great attractions except that it was cleaner and reduced the wear on engines.

The Howe Budget, increasing oil prices and the propane found along with oil in the North Sea has changed the equation. But De Camps is wary of encouraging individuals to switch over to gas. The problem is supply. ENOC has just signed a contract with Calor to sell 150,000 tonnes over the next two-and-a-half years. By the late 1980s, says De Camps, 5m tonnes will be available from the North Sea. But it will still not be enough to cope with mass conversion to gas. "Vast, vast quantities have been flared in the Middle East



"I see the whole thing becomes null and void if Sky Lah falls on Brezhnev."

quite disgraceful—but the 30m tonnes they could provide is not all going to be available to us. The U.S. and Japan are very LPG-hungry, and Spain is a growing market, having to tow gas."

But while the propane keeps hissing, a surprising number of UK companies have converted all or part of their fleets and installed their own re-fuelling tanks. Among them are Littlewoods Home Delivery Services, Securitor, two other team hire companies, and the North Eastern Gas Board.

### Own goal

The ease with which a Saudi man can divorce his wife and the success of the Ahli football team have combined to break up at least one Saudi home. I bear from Jeddah.

Abdul Rahman O-Obaid, a father of four, is a financial supporter of the Jeddah Club football team. Mrs. Oatibi is an equally

strong supporter of Ahli. When the two rival clubs clashed in the Saudi Cup Final on June 9, Jeddah was unfortunately out-classed and incensed by his wife's crowing every time Ahli scored. Abdul Rahman swore the traditional oath of divorce each time. Unhappily, it takes only three oaths to lose a wife. By the final whistle, Mrs. Oatibi and the children had fled: Ahli won 4-0.

The newspaper Al-Medina took up the case with fervour. "For how long will the Saudi obsession with football continue to destroy the sanctity of the home?" it thundered righteously. Relief finally came on Sunday in a Fatwa—a legal ruling—from Mecca's summary court. The assistant president quoted a Tradition of the Prophet on the authority of his favourite wife, Ayesha: "It is the consensus of scholars that divorce is invalid if it results from extreme anger."

Mrs. Oatibi's views are not known. But as divorce in Saudi Arabia is extremely hard for a woman (as opposed to a man) to get, she may prefer her unexpected new status, and appeal.

### New queues

Lengthening patrol queues on top of economic troubles seem to be driving Washington's more unbalanced citizens over the edge. While reluctant to encourage the new madness by talking about it, psychiatrists in hospitals in the area admit there has been an unusual increase in the number of patients. "It's jumping here," said one expressive admissions clerk at Saint Elizabeth Hospital. "Most of our business is usually during the cold weather."

At Spring Grove Hospital Centre, Maryland, they were more precise. "Involuntary commitments" there rose from 137 in April to 185 in May. During the first 11 days in June another 108 citizens took a

compulsory break. A senior official at the hospital, Richard Ruma, was outspoken in his explanation for it all. While Americans may be better prepared than during the 1973 Arab oil boycott, he said, they are contending with soaring prices in a worsening economy. "The conflicting stories—bleating everyone from the President to the oil companies to service stations—give a plausible hook for individuals with paranoid tendencies. During Watergate we got people suffering from delusions that they were being followed around by the CIA."

More cynical observers insist that the petrol shortage and its associated murders and madness are confined to the circulation area of The Washington Post: "They keep running scare-stories."

### Marked man

Proud of the high dignity of their profession, accountants of the chartered variety have been riled by the description of Mark Thatcher, the Prime Minister's son, as a chartered accountant. The latest issue of Accountants Weekly goes to the bottom of the matter, and points out that Thatcher fits, while an excellent amateur motor-racing driver, has not earned his accountancy laurels. Nor has Thatcher made any great efforts, it seems, to correct the impression that he is chartered. "He passed his English Institute Part 1 final in May, 1976," says the magazine tartly. "But so far, at least, has not managed to progress any further in the examinations stakes."

### Special feature

A reader in Reading tells me an advertisement in a local shop window runs: "For sale, 1968 Mini. Body fair, uses hardly any petrol (can't get it started)."

Observer

# Come to Corby where the growing's good.

If you're looking for a place to re-locate or expand your business, the New Town of Corby has got so much going for you.

Corby is situated in between the motorway junction of the M1 and M6 to the west and the A1 to the east; allowing access to London and Birmingham. The East Coast ports can be reached by major roads.

What's more, Corby is young enough to be vigorous and exciting—with modern factories ready for you to occupy at highly competitive rents. (Our "design and build" service will help you plan your own specification.) But Corby is mature enough, too, to offer well-established housing, schools, shops, public services, leisure activities. And skilled and unskilled labour is readily available.

Many companies have already put down roots in Corby—with success. Why not join them? Our experienced help and advice is at your service.



# Corby

For a fully detailed brochure on Corby, contact K.R.C. Jenkin, B.A., F.R.I.C.S., Chief Estates Officer, Corby Development Corporation, 9 Queen's Square, Corby, Northants NN17 1PA. Telephone (053 66) 3535.

Jelly mato

# FINANCIAL TIMES SURVEY

Tuesday June 19 1979

# FINLAND

The general election in March produced a swing to the Right but Finland's pluralistic democracy continues to function in its own idiosyncratic way. The economy depends though on world developments and it needs a breathing space so that restructuring policies can be carried out to achieve further expansion and contain unemployment.

## Scope for a further advance

by William Dullforce

FINLAND HAS a new prime minister, its economic performance has improved and all is quiet on the eastern front, with resident Urho Kekkonen in his 24th year of office ensuring good relations with Moscow. On the threshold of the 1980s, Finland remains politically able internally and externally while the current economic recovery, though fragile, offers some scope for a further advance in prosperity. But, as may be expected with a nation that has had to fight so tenaciously for its independence and welfare, the picture is not entirely unclouded. Unemployment remains a major social problem, the economy is critically dependent on outside developments and, if the present oil crisis were to disrupt its foreign markets, the impact on Finnish industry could be severe.

This would be most unfortunate at a time when the Finns need breathing space to re-organise the structure of their economy.

On the foreign political side, the Finns as ever are eager to add whatever weight they can to the movement towards détente in Europe. They hope something concrete will emerge from the next follow-up meeting of the conference on European Security and Co-operation (CESP) in Madrid and they welcome the new SALT Two agreement between the U.S. and the Soviet Union.

They are, however, concerned that this agreement could give further impetus to the pressure for the development and deployment in Europe of new tactical nuclear weapons both by NATO and the Warsaw Pact countries. President Kekkonen underlined this concern during his visit to West Germany last month.

Particularly worrying for the Finns in the light of their treaty obligation to prevent any attack on the Soviet Union across their territory would be the advent of Cruise missiles, which would need to pass through Finnish air space to find their targets. These possibilities are shadows rather than realities so far, but their exposed strategic position has taught the Finns to detect dangers to their interests in good time.

It is better to emphasise the change in the premiership rather than the change in the government prompted by the general election last March. The new Left-centre, four-party coalition is the same as before

except that the Swedish People Party replaces the Liberals alongside the Communists, Social Democrats and Centre Party. The more intriguing development is Dr. Mauno Koivisto's switch from governorship of the Bank of Finland to the Prime Minister's office.

The election showed a distinct swing to the Right which has been only marginally reflected in the composition of the new Cabinet. The Left lost seven seats in parliament where the non-socialists now have a 113 to 87 advantage, the biggest majority they have enjoyed since the 1962-66 parliament.

All the same Finland now has a Social Democrat Prime Minister and a Cabinet in which the Social Democrats and Communists hold as many seats as the non-socialists, represented by the centre party and the Swedish People's Party, with an independent understood to have leanings towards the Centre Party thrown in as a sop to public opinion.

### Victors

The big victors of the election were the Conservatives, who increased their representation in parliament from 35 to 47 to become the second largest party there after the Social Democrats (52) but well ahead of the Centre Party (36) and the mainly Communist People's Democratic League (35). The Conservatives nevertheless remain in opposition.

It took 68 days for the new Government to be formed after the election—about par for Finnish politics. Mr. Harri

Holkeri, the Conservative leader, was given the first try but this was little more than a gesture from President Kekkonen's side: It was recognised from the beginning that he had no chance.

It is difficult for outsiders to see how the election result is reflected in the new Government. Foreign policy provides the clue. Although they loyally line up behind Finland's policy towards the Soviet Union, the Conservatives are suspect in Moscow. President Kekkonen, who directs the country's foreign affairs, believes that broadly-based coalitions linking the Left and Right are needed to give authority to Finland's foreign policy.

Does this mean that the relationship with the Soviet Union undermines democracy in Finland? It imposes restraints but Finland's pluralistic democracy functions in its own way. The new Government commands the support of 122 of the 200 members of Parliament (the Communists are split into a nationalist majority and a Stalinist minority of 11 who oppose participation in the Government).

The Conservatives can block highly-controversial legislation such as changes in property rights under the constitution, which requires such legislation to have a five-sixths majority in parliament. Efforts are being made to amend the constitution but have not yet succeeded.

The election can be interpreted as a vote against the previous coalition parties (Social Democrats, Communists, Centre Party and Liberals)

which together lost 16 seats. Well, the former Premier, Mr. Kalevi Sorsa, the Social Democrat leader, and Mr. Johannes Virolainen, the Centre Party leader, are not in the new Cabinet.

On the other hand, the Centre Party gets six of the 27 Cabinet posts and takes over the key Finance Ministry from the Social Democrats. Although it suffered a setback in the election, it has gained strength in the Cabinet as the main non-Socialist representative.

These explanations are common currency in Finnish comment on the formation of the new government. They sound derisive even to many Finns' ears but they represent Finnish reality and are understood.

Finally, there is the fact that the election brought Dr. Koivisto unexpectedly back to the premiership. He is generally regarded as belonging to the Right wing of the Social Democrat Party but he is primarily a political personality in his own right.

At 55, he has come a long way since he started work as a carpenter in his home town of Turku and returned from war service at the age of 22 to catch up on his school education. He is now an intellectual, a man of wide-ranging and sometimes idiosyncratic ideas which frequently disconcert his party colleagues.

He has exerted a powerful influence on the economy as Governor of the Bank of Finland, forgoing on the government policies which he believed were in the national interest. He is responsible for the improvement in Finland's payments balance

and in large measure for the decline in the inflation rate.

Dr. Koivisto has won the confidence of business and, even more remarkably considering the effect of his policies on the employment situation, the opinion polls put him second only to the President in popularity among the Finnish people. It is difficult to explain his standing with the public except as recognition of his personal integrity.

There are many implications in President Kekkonen's unexpected decision to nominate Dr. Koivisto. Not the least is the advantage the premiership could give Dr. Koivisto when a new President has to be elected in 1984. By then Dr. Kekkonen will be 83 and it is assumed that he would not wish to continue after 28 years in the job.

That election is likely to be the most critical in Finnish politics during the 1980s, because the President controls foreign policy. So far Dr. Koivisto has been regarded rather as an outsider, principally because it was supposed that his relations with the Russians were not too good—but he has taught himself Russian.

### Popularity

Although the President has not explained his decision to call on Dr. Koivisto, other considerations could be his popularity and his firm handling of economic matters, both of which could be important assets at a time when the restructuring of the economy calls for determined and possibly unpopular policies.

BASIC STATISTICS	
Area	117,945 sq. mi. 303,475 sq. km.
Population (1977)	4.74m
GNP (1977)	FM119.41bn
Per capita GNP	FM23,190
Imports (1978)	FM32.31m
Exports (1978)	FM35.2bn
Imports from UK (1976)	£349.1m
Exports to UK (1978)	£626.3m
Currency=Markka	£1=FM8.26

into surplus after at one point in 1975 approaching a deficit close to 10 per cent of GDP. The rate of inflation has also been successfully reduced from a peak of around 17 per cent a year to 7-8 per cent.

The emphasis over the past two years has been on improving the competitive position of the Finnish export industries and bringing about an export-led recovery. This has been successful and forecasts for economic growth this year vary from 4.5 to 5.5 per cent, in any case above the average anticipated within the OECD countries. Expectations for 1980 are more cautious, but most economists believe Finland can achieve a further 3 per cent expansion in output then, provided there are no further dis-

CONTINUED ON PAGE III

# WE HAVE THE ASSETS ESTABLISHED

## FINLAND EUROPE'S BEST?

In recent years Finland has become one of the top countries to stage high level conferences where world leaders have taken part. We are confident that all your requirements will be met with to your entire satisfaction. Our position is an advantage. We are offering you uniquely peaceful and neutral surroundings. Combined with our expertise your congress or meeting is bound to be a success.



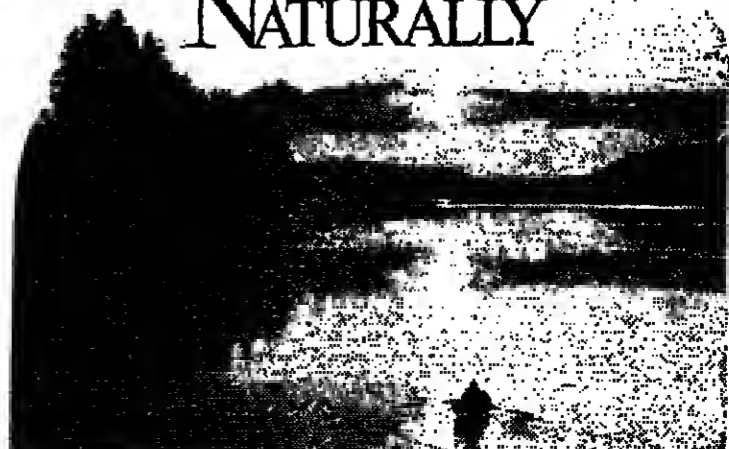
Finland excels in the most up-to-date conference meeting venues, newly built, well-equipped, combining functional efficiency and immaculate service.

You also might be interested to learn that the price level in Finland is one of the lowest in Europe and the lowest in the Nordic Countries.

Finnish hospitality and high standard of comfort are famous all over the world. — And you cannot possibly feel lost in our country. We speak your language!

Mixing pleasure with business? — Our four seasons give a refreshing and new approach to whatever form of recreation you have in mind.

## FINLAND NATURALLY



## FINNAIR THE BUSINESSMAN'S CHOICE



Heathrow to Helsinki over lunch. If that sounds like a convenient and civilised way to fly it's because we planned it that way.

Our daily 13.35 departure from Heathrow is tailor-made for the businessman. While our relaxed, caring service makes the non-stop DC9-51 flight seem even shorter than it is.

We also have efficient connections from the largest cities of Europe, as well as from New York, Montreal and Bangkok. Please, ask about our wide network at your travel agent.

For further information, please, contact: FINNISH TOURIST BOARD OFFICES

- LONDON: Finnish Tourist Board UK Office, Finland House Avenue, Haymarket, London SW1Y 4RP, cable Finntravel, tel. (01)-839-4046, telex via London 918783.
- NEW YORK: Finnish National Tourist Office, 79 Rockefeller Plaza, New York, N.Y. 10101, cable Finntravel, tel. (212)-582-2802, telex 030681 scandia.
- PARIS: Centre National du Tourisme de Finlande, 13 rue Auber, 75009 Paris, cable Finntravel, tel. 073-96-27, 266-40-13, telex via finair paris 210417 f.
- AMSTERDAM: Fin. National Verkeersbureau voor de Benelux, Kleine Garmantjeslaan 21, Leidschendam, Amsterdam, cable Finntravel, tel. 235 059, 238 713, telex 124722 finno nl.
- HAMBURG: Finnisches Fremdenverkehrsamt, 2000 Hamburg 13, Rothenbaumchaussee 11, cable Finntravel, tel. 441 611, telex 211473 fhd.
- ZURICH: Finnisches Zentrale für Tourismus, Schweizerstrasse 6, 8001 Zürich, cable Finntravel, tel. 211 1340, telex 53 426 ayto ch.



FINLAND II

# Economy emerges from recession . . .

THE PAST 12 months has seen the Finnish economy claw its way out of the worst slough of recession it has sunk into since World War II. The next 12 months promise a chance of consolidation on the firmer ground now attained. Beyond this foothold lies undulating territory that cannot be surveyed with any certainty yet.

It is little wonder that industry views the immediate past and future with an ambivalence that verges on schizophrenia. A random selection of the annual reports for fiscal 1978 of the largest Finnish industrial groups discloses what is almost a theme song: sales improved gratifyingly but the economic result was not satisfactory. The explanation for the mixture of relief and disappointment is not hard to find.

The dawn of 1979 was bright. After two years of stagnation, Gross Domestic Product grew by around 1.2 per cent in 1978 and the forecast for this year is a 5.0 per cent increase. Exports expanded by 13.8 per cent in value and should go up another 11 per cent this year; the changes for imports are 5 and 16 per cent respectively. The trade surplus was a whopping FM 2.5bn (£350m), the balance on current account FM 2.3bn, and the promise is that both surpluses will be substantial again this year, if not as striking as in 1978.

The foreign currency reserves has once again puffed up into a comfortable pillow instead of the worn strip of covering it has been for years. It looked as though inflation was licked—it was held to 7.6 per cent in 1978.

The dawn contained red ink of warning. The unemployment rate was up to 8 per cent, which is very high for a country with a net foreign debt of FM 27.9bn, 23.4 per cent

of GDP. The corporate debt burden was worrying the business world. According to preliminary figures for 1978 released by the Confederation of Finnish Industries (CFI), the ratio of internal company financing to turnover was down to 5 per cent, against 10 per cent in 1974, the last pre-recession year. Corporate long-term debt management costs amounted to 17 per cent of net sales. The debt ratio (external capital to equity) was 3.3 per cent. Most of the debt was incurred during the great investment spurge of 1971-1973.

## Factors

The newly published quarterly survey of the Ministry of Finance Economic Department lists the main factors of uncertainty which threaten the maintenance of current growth rates. They are international economic developments, the price trends and supply of oil and raw materials and, in the home country, uncertainty about economic policy and incomes policy in the longer term. The new Government's economic programme contains a passing reference to the importance of long-term planning for corporate investments, but industry is not impressed with this sop.

Prime Minister Mauno Koivisto is on record as saying that the greatest threat to the economy for the near future is inflation. This view is shared by the private sector, yet it is showing unusual optimism that inflation can be kept below 9 per cent this year. According to a calculation by the CFI, the increases in oil prices already announced this year will add 1 per cent to manufacturing costs and around 0.5 per cent to consumer prices.

But there are ominous indications that oil prices will rise even further, and the price of raw timber may also rise. The farmers supply some 70 per cent of the wood-processing industry's wood requirements from their forests, and they want a share of the new "prosperity" that has temporarily come to the pulp, paper and timber trade. Labour generally is looking for greater rewards from the mini-boom. The increase in labour costs this year is estimated at 10.5 per cent, to which must be added an assumed wage drift of 3 per cent to 4 per cent. The estimates for the nominal and real increases in the disposable income of households are 12 per cent and 4 per cent respectively.

Current labour contracts run out in February 1980. The unions and employers will start unofficial talks in August on the outlines of the next round of collective bargaining which will probably begin in earnest towards the end of the year. If the increases in nominal wages and wage-related costs can be kept within reasonable limits, one inflationary factor will be restrained. Wage-related costs—statutory and voluntary social security and other benefits—currently amount to around 54 per cent of wages paid for actual work done.

At central federation level on both union and employer side there is an understanding of the realities. The problem is to convince the rank and file, and it is exacerbated by the personal ambitions of some union leaders who control small but vital groups of labour that can hold the country to ransom by striking. Foremost among them are unions and union federations in the technical and transport branches. A further complication is "suction bidding" for votes by the Social Demo-

crats and Communists in the unions, and even between the hard-line majority and more moderate majority factions within the Communist Party.

The employers see some chance, however, of a longer (two-year?) agreement early in 1980, and this would eliminate some uncertainty from cost calculations in corporate planning. But this optimism has been tempered very recently by the demand from the Left-wing think tank that the threat of imported inflation should be countered by revaluing the Finnmark and imposing an export profits levy on the forest industry. Neither measure would improve the precarious international competitiveness of export-orientated industries, but the new Government says that resort to a revaluation cannot be excluded.

Mr. Gay Ehrnrooth, President of the Board of the CFI, says: "We've just come out of hospital. We must have a little time now to put the house in order without outside interventions. To recover, we need two-three years of times like the present."

The industrial sector concedes that 1979 will be a good year. Even if the U.S. economy slides into fresh recession in the autumn, the European market can hardly be affected before 1980. It is the uncertainty about 1980 that reinforces the lack of propensity to invest that already exists because industry still has spare capacity. It looks as though autumn 1979 will bring firmer forecasts of how the American economy—and via that route the European—will move. Until then industry in Finland and Mr. Koivisto's Government are going to move cautiously.

Lance Keyworth  
Helsinki Correspondent

# ... but future strategy remains uncertain

THE 1973 post-war period has had one of the lowest economic growth records in the OECD. In the quarter ending in 1978, for instance, the per capita growth in Finland's GDP was higher in every five-year period than was Sweden's.

During those 25 years the country moved from a basically agricultural society with 46 per cent of the labour force engaged in primary production into an economy in which services employ 52 per cent of the labour force.

The percentage employed in the manufacturing and construction industries has risen in the same period from 27 to 35 per cent. It is almost as if Finland had jumped over the industrialisation phase and yet it has been the growth in wealth. This relative affluence was achieved at the cost of some dislocations and structural weaknesses, which were exposed when the world depression hit the country in 1975.

The most prominent weaknesses to appear have been unemployment and susceptibility to imported inflation. Firm guidance from the Bank of Finland has brought the inflation rate down to the average for the OECD and the number of jobless is falling this year after hitting a post-war peak in 1978, when it averaged 7.5 per cent of the labour force.

## Marginal

But the improvement in the unemployment rate is only marginal and the chances of bringing it below five per cent during the next five years or so are slight. With hindsight it is now evident that, impressive as it has been, Finland's economic growth has not been able to provide jobs for all. This fact had been disguised by large-scale emigration, in particular to Sweden, when until the depression it was relatively easy for Finns to take advantage of the free Nordic labour market.

Finland's growth has been to a large extent financed by foreign borrowing, which has sustained a very high level of investment in both the infrastructure and industry. With a net foreign debt still around 20 per cent of GDP it will not be possible for Finland to revert to a policy of running a large current account deficit in the 1980s.

In a study of the medium-term prospects up to 1982, the Independent Research Institute of the Finnish Economy recently charted the trade-off between employment and the current account balance on assumptions which included a 3 per cent volume growth in the economies of Finland's main trading partners, moderate domestic wage increases and a rate of inflation averaging 6.7 per cent a year. It found that the unemploy-

ment rate might be reduced to about 5 per cent by traditional demand management measures, if current account deficits of the order of 2 per cent of GDP were accepted.

An industrial committee set up by the Ministry of Trade and Industry estimated, in a preliminary report last month that annual growth rates of 5 per cent in GNP and 6 to 7 per cent in industrial output would be needed to have any significant effect on unemployment in the 1980s. It was sceptical about the chances of reaching these targets.

Finland's raw materials are its trees and minerals. The lack of new ore discoveries limits the possibilities of expanding metal production. New silviculture programmes have indicated that forest resources are not yet fully exploited but the high cost of wood in Finland is forcing the pulp and paper mills to invest heavily in the new products with greater added value.

In addition to being capital intensive, the country's industrial development has also been energy-intensive. Finland has so far dealt with energy crises more easily than most industrialised countries and its energy programme should prevent any serious bottlenecks from arising during the 1980s. But Finland's major resources increasingly lie in its people, in their levels of education, technical and business skills.

The Finns have opportunities open to them for further growth in the 1980s, not least the advantages that they can draw from their access to the relatively huge markets of both Western and Eastern Europe. To exploit these advantages and retain the open economy they have operated since their independence, they will have to achieve a new co-ordination of Government policy and business incentives.

Government economists and businessmen at present differ somewhat in describing the options available during the next decade. At the macro-economic level one of the most interesting strategies has been elaborated at the Bank of Finland. It is particularly pertinent because the new Prime Minister, Dr. Mauno Koivisto, as governor of the bank, developed the theory and prompted analysis of its possibilities. As a social democrat he was primarily searching for a new way of dealing with the unemployment problem.

The strategy was outlined early this year in a study by two Bank of Finland economists, Mr. Heikki Koskenkylä and Mr. Kari Pekonen. Put simply, it involves changing the factors of production so that labour becomes cheaper than capital. Its background is recognition of the fact that the current foreign debt makes it no longer possible to finance growth by capital im-

ports and the assumption that demand for Finland's main exports is likely to grow more slowly in future.

It also eschews the policy, which would be most acceptable to the Communists and Left-wing Socialists, of heavy central government spending, financed by foreign borrowing, to stimulate demand. Such a policy, it is argued, would almost certainly entail further devaluation of the Finnmark and would have unacceptable inflationary effects.

Instead, the Bank of Finland economists advocate measures both to lower the growth rates in wages and indirect labour costs and to make capital more expensive by increasing real interest rates. It would conceivably be enough to lift controls on interest rates and let them find their true market level. Such measures, it is argued, would improve the profitability and encourage investment in labour-intensive branches.

## Incentives

It is claimed that this strategy would enhance the role of small and medium-sized businesses and offer them incentives to improve their international competitiveness by introducing advanced technology. This, in turn, would pave the way for increases in new exports, even if foreign markets were to experience a period of slow growth.

Such a strategy would obviously have to be understood and accepted by the trade unions before it could be implemented. If Dr. Koivisto is seriously thinking of trying it out, he will first have to sell his idea to the union leaders and then to their members. This might not be impossible: the chance of creating more jobs could be a good selling point. If he succeeded, Finland could be the crucible for an intriguing economic experiment in the 1980s.

Finland industrialists have got used to an economic climate in which payroll costs outweigh capital costs and in which credit rationing traditionally has been linked with relatively low interest rates. The tax structure has also been linked with relatively low interest rates. The change of creating more jobs could be a good selling point. If he succeeded, Finland could be the crucible for an intriguing economic experiment in the 1980s.

In a recent study of Finnish industry's long-term prospects Mr. Juhani Ristimäki, deputy managing director of the Federation of Finnish Industries, also advocated a new mix of labour and capital inputs, but he put the emphasis on productivity and the need to increase both the amount and the quality of

the capital. However, his views did chime with those of the Bank of Finland economists on two key issues: the need to switch investment to light industry and the necessity for a moderate national incomes policy.

In the period between 1960 and 1975 Finnish industry achieved a 6.2 per cent average annual growth in output with a 2.2 per cent growth in labour input a year and a 7.6 per cent annual growth in capital investments. To give a 5 per cent annual growth in GDP in the 1980s Mr. Ristimäki postulates a 8.7 per cent growth in industrial production. This, he estimates, would call for a 10.5 per cent increase in annual investments. If the 2.2 per cent increase in the labour force were maintained.

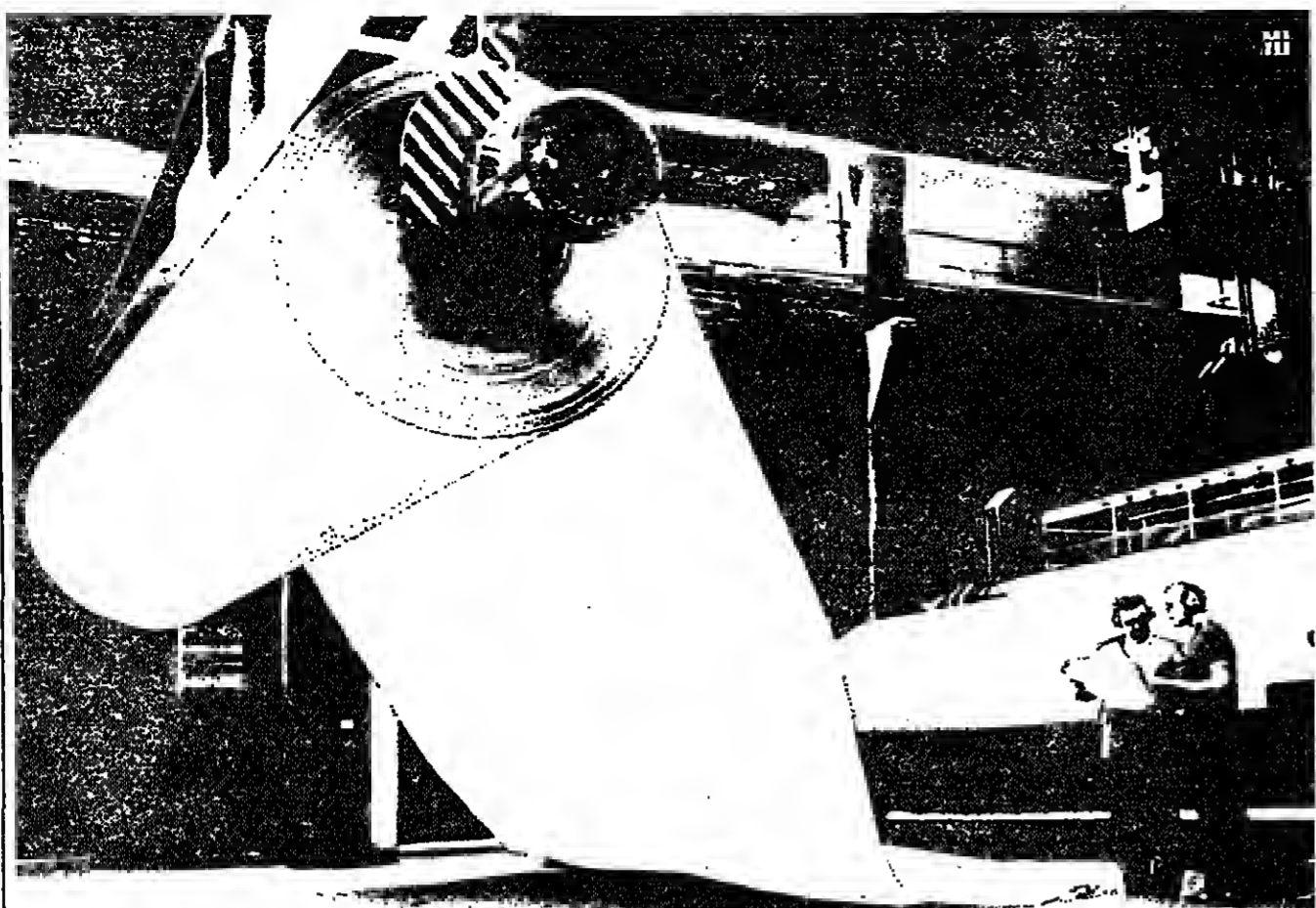
But, realistically, industry can be expected to raise its labour input by at most 1 per cent. To achieve the output growth target, therefore, an extraordinary step-up in capital investments would be required unless the balance between the labour and capital factors can be improved by productivity increases.

Productivity in Finnish industry rose by an average of 2.3 per cent a year in the 1960-75 period. Mr. Ristimäki's figures call for an annual increase of 3.7 per cent during the next two decades. Is that feasible? It would demand at least a significant change in political attitudes, particularly towards incomes and tax policies and possibly also exchange rate policy. It would scarcely be possible without a change in national investment patterns from spending on housing and infrastructure to industry.

However, much more could be done by business management and the change in top management which now appears to be taking place in many Finnish enterprises could be a good augury. There seems to be a growing understanding that enterprises can no longer put money into lazy, low-yield investments financed by banks. But for a change to be effective the politicians still have to be persuaded of the value of risk capital and higher profitability.

The external influences will continue to be paramount for the small Finnish economy during the 1980s. The other decisive factor will be whether the Finns can bring about the meeting of minds among their political leaders, Government economists and business managers needed to obtain a consensus economic policy and the climate for business. The opportunities are undoubtedly there and there is not so wide a gap between the thinking of official economists and business leaders. It is up to the politicians and union leaders.

William Dullforce



# OUTSTANDING IN THE FOREST INDUSTRY

- Newsprint
- Packaging board
- Specialty papers and boards
- Sawn goods
- Plywoods, fibreboards and particle boards
- Pulp and paper mill machinery
- Production technology and know-how
- The services of our merchant fleet

Enso is the biggest exporter of Finnish forest products and stands for quality and reliable deliveries.

At your service in the UK:  
**Enso-Marketing Company Ltd.**  
 10 Grosvenor Gardens, LONDON  
 GREAT BRITAIN SW1W 0DP  
 Tel: 01-7308221, Telex: 918225 ukensog

Enso Sales (Scotland) Ltd.  
 27 Abercromby Place, EDINBURGH  
 GREAT BRITAIN EH3 6QE  
 Tel: 031-557-2797, Telex: 72282.ensosc g



Our agents throughout the world will be glad to serve you.  
**ENSO-GUTZEIT OSAKEYHTIÖ**  
 Head office: Kanavaranta 1, 00160 Helsinki 16, Finland

## LOOKING FOR A BANK IN FINLAND



Postipankki  
 Unioninkatu 20,  
 00007 Helsinki 7  
 Tel. 1641  
 Telex:  
 General 121698  
 Dealers 121701  
 Bonds 121079

# Contact Postipankki

Founded 1836

Total assets US \$ 3192 million  
 Branches 26 and Offices 3163  
 Personnel 5313  
 Accounts 9.3 million

Our customers:  
 Almost every industrial and commercial company in Finland, in both the private and public sector, maintains an account with us, and every other private person has a savings or deposit account with Postipankki.

Complete banking services including

- International Payments
- International Financing
- Foreign Trade Finance
- Eurobond Dealing
- International Postal Giro
- Foreign Exchange

POSTIPANKKI



هكذا من الأهل

# Energy conservation a major priority

THE YEARS since the 1973 oil crisis have brought out in sharp relief the positive and negative features of Finland's energy economy: it is heavily dependent on imported energy, but its main source of supply is close to home.

The Soviet Union supplies about two-thirds of Finland's imported energy—crude oil products, natural gas, coal and electricity. Finland pays for this with deliveries of processed goods, not precious convertible currencies. However, Soviet oil prices are pegged to world market prices, so security of supply does not mean cost stability for Finland.

Due to its long, cold winters, vast distances and the energy-intensive character of its main industries, Finland is one of the world's biggest consumers of energy, whether measured in per capita or GDP terms. It has no indigenous oil, coal or natural gas.

In 1978, 73 per cent of the country's energy consumption was met from imports, and this cost the country FM 7,220m (2800m) well over a fifth of its total import bill. Oil accounted for 50 per cent of the 23.9m tonnes oil equivalent (mtoe) consumed and cost FM 5.5bn. The price increase so far this year will add FM 1bn to the oil bill alone.

These few statistics explain why the battle cries in the energy sector today are conservation and import substitution. They are the fundamental concepts of the energy policy programme for the 1980s recently produced by the Energy Policy Council, a government-appointed body comprising representatives of the parliamentary parties and experts in the energy field.

The council appended to its energy report an estimate of energy consumption in 1978-1990, assuming an annual average growth of 3 per cent in the GDP. It gives two sets of figures. The first ignores the impact of conservation and import substitution measures. The second takes their anticipated influence into account. According to the first, the ratio of imported energy to

total energy consumption will increase from 73 per cent today to 75 per cent in 1990. In the second calculation, the import ratio will fall to 60-66 per cent by 1990.

For oil and natural gas the ratio changes from 57 per cent today to 56 per cent in 1990 in the first alternative, but goes right down to 34-40 per cent for the second.

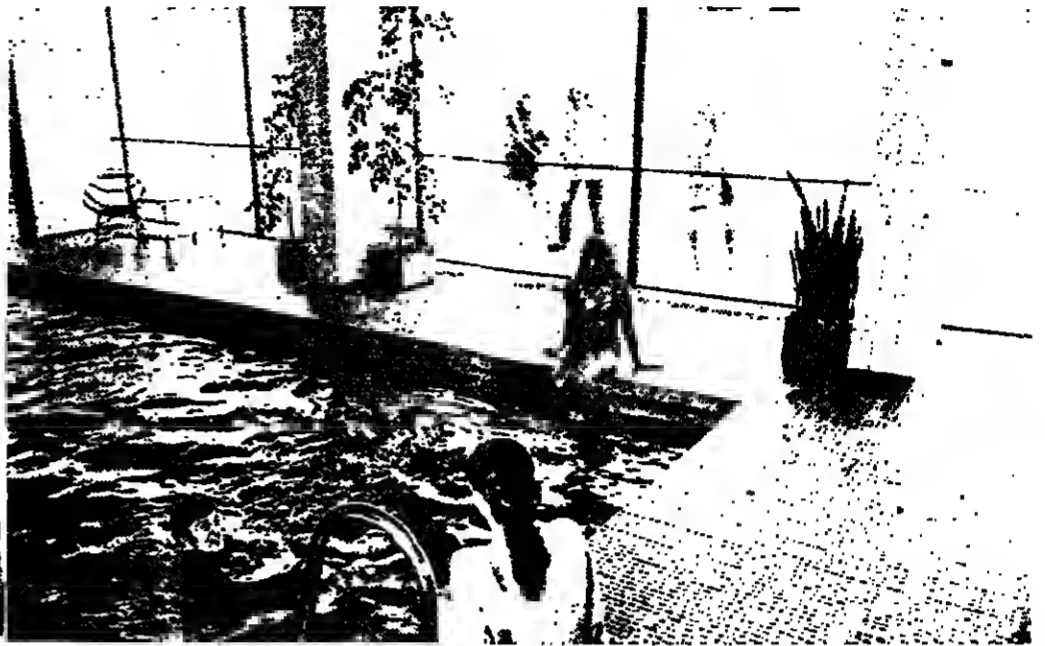
The council states that the public sector will have to play a more active part in implementing energy policy. Assuming that the conservation targets foreseen are achieved, a saving of 10 per cent in energy consumption is possible by 1990. The targets will require additional investments of about FM 3bn by industry and about FM 7bn by property owners (mainly house owners) spread over the coming 20 years.

Mr. Erkki Vaara, head of the Energy Department of the Ministry of Trade and Industry, says: "Energy conservation so far has been an entirely voluntary matter. The Government has emergency economic powers to enforce savings in time of crisis. What we need now is laws to cover the intermediate situation between normal and critical."

So-called space heating, essentially the heating of buildings, is a major target for conservation. Space heating accounted for 28 per cent of total energy consumption in 1978.

Mr. Vaara says that this can be reduced by 20 per cent, saving about FM 800m a year (at 1978 prices) in oil costs over the next ten years. It would also create about 20,000 new jobs, which is important in the current phase of serious unemployment.

There are more than 100 points for action in the Energy Policy Council's programme. The new legislation required involves several ministries and will take two-three years to implement. But there is to be no dawdling. Regulations for new buildings published at the end of 1978 call for smaller windows and triple glazing—double glazing is taken for



Economics in heating buildings and their facilities, such as this pool in a Helsinki hotel, are a priority under Finland's new energy policy

granted in this northern country. The thickness of the insulation in external walls is to be doubled.

For basic repairs to old buildings the State will provide grants in aid of energy conservation. Industry will receive subsidies to lower the interest costs of building investments that save energy, including conversion to domestic sources of fuel. At present, industry accounts for 42 per cent of total energy consumption.

The scope for import substitution is limited, for the only alternative indigenous sources are peat and wood now that the economically harnessable hydropower has been almost completely utilised. Finland has a reserve of small-sized trees whose biomass will yield 2.5 mtoe annually, more than 10 per cent of the present consumption of primary energy.

The economics of harvesting this biomass are under investigation. Peat is a bulky, clumsy material to handle; monstrous machines are required to source the stuff out of the swamps that

cover almost one-third of the land area of Finland. However, the council programme foresees that peat could account for 7-10 per cent of total energy consumption by 1990, compared with about 1 per cent today.

There already are power stations burning peat only. Säteri Oy, a company making viscose fibre, has developed a method of feeding peat directly to oil burners, after the fuel has been reduced to pellet form in a flash drier.

Mr. Vaara is enthusiastic about the potentials of peat liquefaction. Research work on this has been taken quite far on a pilot plant in the United States. Mr. Vaara has proposed that the U.S. now help in finance trials on a factory scale in Finland.

Another item on the energy programme priority list is increasing the capacity of district heating from peat-fuelled plants. A study is in progress on the economics of 100-200 MW condensing power plants burning peat.

Finally, there is the potential

of nuclear energy. The new Soviet-built 420 MW nuclear plant already working, its twin coming into production this year and the two 660 MW Swedish-built units coming into production soon will raise the proportion of nuclear energy in total energy consumption from 3 per cent today to 12 per cent in 1982.

More work might be done on exploring the uranium deposits in Finland, including deep drilling and the feasibility of ore enrichment. Finland has an agreement in principle with the Soviet Union for the delivery of a third nuclear power plant, this time a 1,000 MW unit.

The present view is that this boost to energy production will not be needed until the end of the 1980s at the earliest. What is needed now is a study of the economics of adding 1,000 MW to the net by nuclear or conventional power plant production.

Lance Keyworth



President Urho Kekkonen (left) and President Walter Scheel in animated conversation after Dr. Kekkonen arrived in Bonn on his State visit to West Germany last month

## Advance

CONTINUED FROM PAGE 1

ptions to the world economy. The price paid for this successful deflation policy has been employment, which reached a post-war peak with 300,000 people out of work. The situation has improved slightly, but the number of jobless is still expected to be very high this year and next. Like so many other countries, Finland has not discovered the management methods to equalise the trade between inflation and employment, between the external balance and employment.

Dr. Kivisto has moved from the powerful fortress of the bank of Finland, from which he could impose monetary discipline, into the hurly-burly of a coalition Cabinet, from which he must try his hand at fiscal management.

Two recent statements by the premier have indicated the end of his thinking about both the short- and long-term. He expressed concern that inflationary pressures may be revived faster than expected and in television address posed the question of whether the nation

should concentrate attention on the "active" or "passive" sectors of the population. This was a reminder that a balance has to be achieved between the productive base and the demands, such as those for larger pensions, of the welfare state.

### Bureaucracy

Finland has developed all the trappings and the bureaucracy of the Scandinavian welfare state without quite catching up with neighbouring Sweden either in the extent of social benefits or in industrial strength and efficiency. Finland's political parties have committed themselves to the welfare targets but the recent experience of Sweden indicates, as Dr. Kivisto has been pointing out, that a choice must be made.

Industrial investment is picking up again but from a very low level and it is by no means sure that the motivation to invest can be sustained. Despite the economic recovery, company Boards have to weigh up two negative factors: the

development of their payroll costs and the very high level of debt many of them have had to take on during the recession. Wage settlements have been moderate but the rise in nominal wages this year may well be around the 10 per cent mark and it is doubtful whether the improvement in Finnish industry's unit costs relative to its competitors will continue. Probably the rate of inflation will be kept low enough to avoid triggering off in October the wage increases which have been linked to the performance of the cost-of-living index, but the new Government's political cohesion and skills will be tested when a new national incomes agreement has to be negotiated next year.

Beyond these shorter-term considerations loom the strategic adjustments to Finnish industry which most politicians recognise to be required, but on the methods to achieve which they are still very far from reaching a consensus. Finland's impressive economic comeback remains to be consolidated.

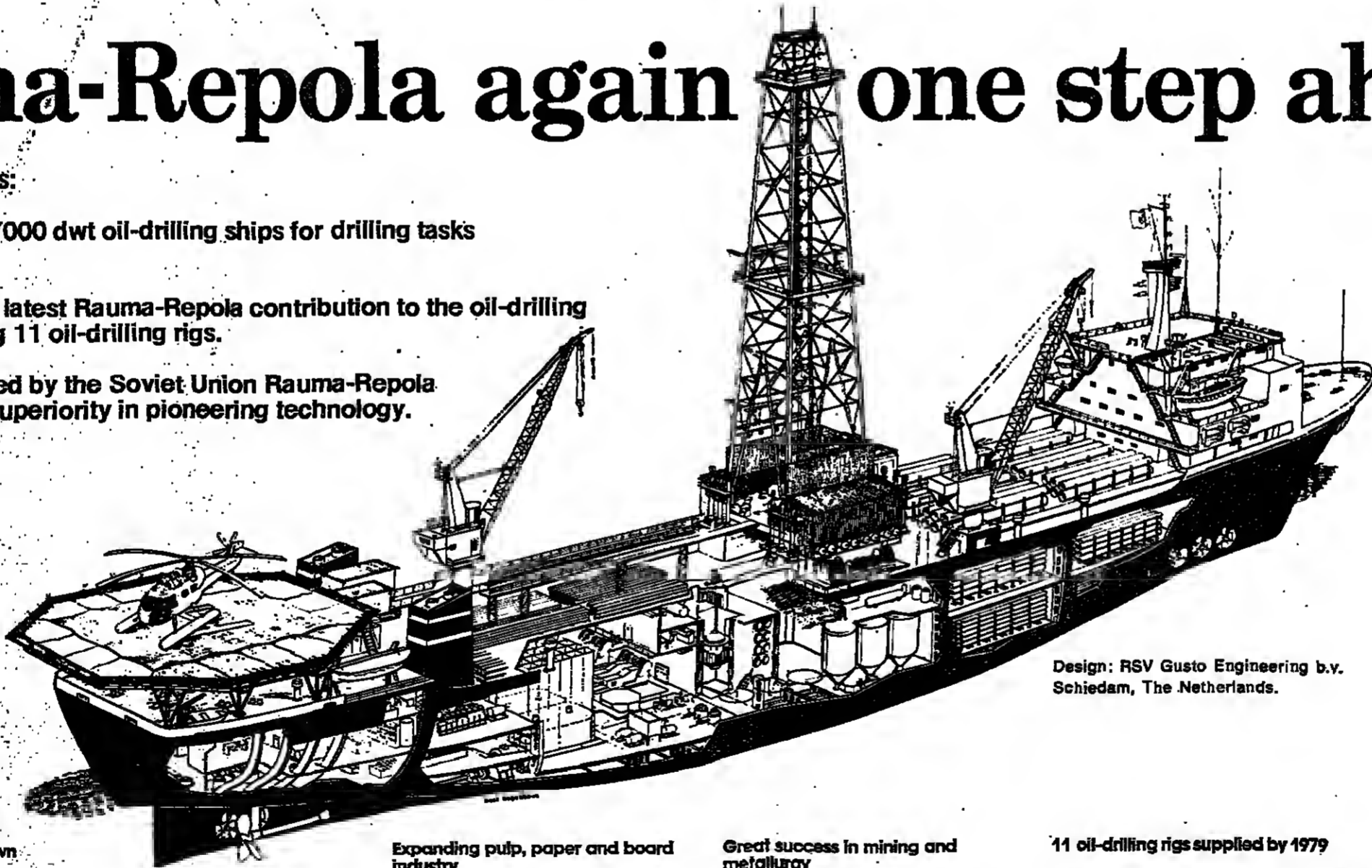
# Rauma-Repola again one step ahead

Rauma-Repola supplies:

Three Rauma-Repola 7000 dwt oil-drilling ships for drilling tasks in the Arctic Ocean.

These ships will be the latest Rauma-Repola contribution to the oil-drilling scene already featuring 11 oil-drilling rigs.

With these ships ordered by the Soviet Union Rauma-Repola once again proves its superiority in pioneering technology.



Design: RSV Gusto Engineering b.v. Schiedam, The Netherlands.

Europe's biggest producer of sawn timber

The total production of the 10 Rauma-Repola sawmills exceeded 1 million m<sup>3</sup> in 1978. Production also includes plywood with special coatings, pre-fabricated houses and house elements.

Pioneer in wood-processing

Rauma-Repola is a leading specialist in wood-processing machinery. Deliveries to all parts of the world include 73 complete woodyards.

Expanding pulp, paper and board industry

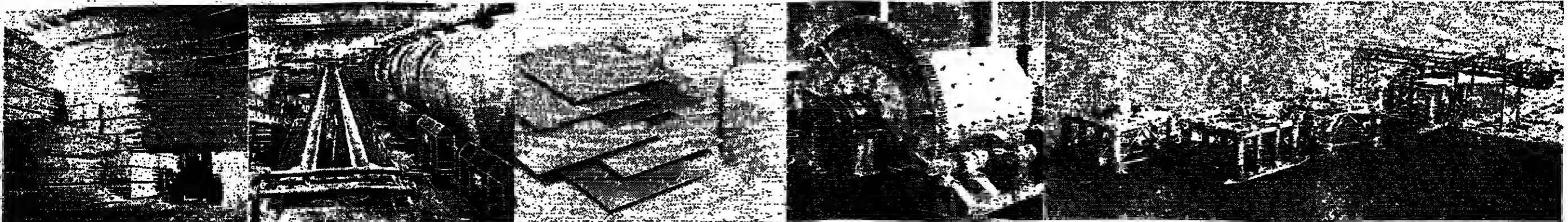
Rauma-Repola produces 150,000 tons of high-grade dissolving pulp and 60,000 tons of bisulphite pulp a year, together with 280,000 tons of newsprint and other printing grades. Extensions to the mill, to be completed in 1981, will increase capacity to 400,000 tons.

Great success in mining and metallurgy

The rapidly expanding production of machinery for the mining and metallurgical industries has won the company large orders from all parts of the world. These include grinding mills, filters, mine trains, blowers, furnaces and other related equipment.

11 oil-drilling rigs supplied by 1979

The special facilities provided by the Mäntyluoto Works on the coast of the Gulf of Bothnia are important to the company's three shipyards specialising in tankers, cargo and ro-ro vessels, ice-strengthened polar tankers, refrigerated ships, replenishment ships and sea-supply systems, small ships, deck machinery and marine boilers.



**RAUMA-REPOLA**

HEAD OFFICE  
SNELLMANINKATU 13  
SF-00170 HELSINKI 17  
TELEPHONE: (90) 77100  
TELEX: 124514 RRRHFI SF  
CABLE: RAUREP HELSINKI

FINLAND IV

# Architect of its own fortunes

DURING HIS recent visit to the Federal Republic of Germany, President Urho Kekkonen gave a forthright and unambiguous explanation of Finland's foreign policy to the Overseas Club in Hamburg. Finland needed neither guarantees nor sympathetic "understandings." The architect of its own fortunes, Finland was a member of the European family looking after its own basic national interests.

President Kekkonen objected to the stereotypes in which Finland's image has frequently been cast abroad and to the persistence of the idea that the European countries outside the two great military alliances were helpless neutrals open to pressure. He was referring specifically to the "Finlandisation" concept, which has been common currency in West Germany and which assumes that Finland is fundamentally little more than a vassal of the Soviet Union.

He scored a point of particular relevance to his German listeners by reminding them that Helsinki was one of the three capitals of the European countries involved in the second world war which had not been occupied by hostile forces (the other two were London and Moscow). Finland's political institutions had remained intact. The President in fact was signalling the remarkable success of Finnish foreign policy in the post-war period, a policy which for the past 23 years has carried his own signature. In Finland the President is directly responsible for the conduct of foreign affairs and Dr. Kekkonen's long reign has given them an unparalleled continuity.

Finnish foreign policy is ponderous as a granite forming the country and as unchanging as its vast expanses of forest and lake. This is an expression not only of the national character but also of geography, for as a border country to the Soviet Union its independence and the survival of its pluralistic democracy have depended on the credibility and consistency of its policy.

Anyone looking for new ideas in President Kekkonen's Hamburg speech will have been disappointed. The claim that Finnish foreign policy had become "a positive and permanent constituent of the system of balance in Europe," for instance, had been made eight

years previously in Helsinki when Dr. Kekkonen launched the Conference on Security and Co-operation in Europe (CSCE). Persistence is the hallmark of Finnish policy.

This persistence proceeds from Finland's fundamental objective, which is to preserve the status quo in Northern Europe. President Kekkonen pointed out in Hamburg that the treaty of friendship, co-operation and mutual assistance between Finland and the Soviet Union does not constitute a military pact. It does, however, oblige Finland to prevent any attack on the Soviet Union through Finnish territory and provides for military consultations, if any such attack is threatened. The treaty, signed in 1948 in the aftermath of the second world war, specifically mentioned Germany.

In the light of this treaty, Finland's interests are tightly linked to keeping Northern Europe an area of stability and low tension. To be of advantage to the Finns any move away from the status quo must be in the direction of detente and disarmament.

## Theory

This is one reason why the Finns are not too happy about the theory of the Nordic balance, the idea that a well armed and neutral Sweden between Finland, tied by treaty to the Soviet Union, and the two NATO members, Norway and Denmark, somehow creates an equilibrium in Northern Europe. A balance of this kind, however, can be disturbed by military escalation on one side — such as the build-up in the Soviet base in the Kola Peninsula — which would call for a response from the other side.

The Finns would prefer any change from the status quo to be a linear development towards detente. This is why Dr. Kekkonen has persisted with the idea of creating a nuclear-free zone in Northern Europe recognised by both the super powers and why he is constantly alert to any changes in weapon technology or in the global strategic balance which could involve the Nordic countries.

Currently the Finns are concerned about the development of tactical nuclear weapons by both sides in Europe and by the possible effect of the SALT 2 agreement between the USSR and the U.S. on weapons tech-

nology. There is a paradox, here because, while the Finns welcome the new agreement as a move in the direction of detente, they are nevertheless worried that it may prompt the two powers to develop new weapons before they can get on with negotiating the next SALT agreement.

Finnish foreign policy can be charted by the carefully staged set speeches of Dr. Kekkonen. His Hamburg speech was made on May 9 this year. Almost exactly a year earlier, on May 8, 1978, he gave a similar signpost address to the International Affairs Institute in Stockholm, at which he suggested that development of the cruise missile posed a special danger for the Nordic bloc.

He made no specific reference to the cruise missile in Hamburg but warned against the introduction of new nuclear weapon systems to the European scene. There was already evidence of a new armaments spiral which could threaten the security situation in Northern Europe.

Finnish officials do not disguise their fear that the Americans may develop the cruise missile and introduce it as a standard weapon to their armed forces. These missiles could be fired at targets in the Soviet Union either from aircraft or from naval vessels off the coast of Norway. Their flight paths would cross Sweden and Finland.

Intercontinental ballistic missiles would also cross the Nordic countries but at great height. Cruise missiles snaking across the landscape at heights of 50 or 100 metres would amount to clear-cut intrusions of the air space of neutral countries such as Sweden and Finland.

The American attitude is that the Finns have no reason to believe that cruise missiles will intrude on their air space but Finland has a legal obligation to prevent any attack against the Soviet Union across its territory. Cruise missiles would, therefore, add a new dimension to the strategic situation which could conceivably prompt the Russians to ask the Finns to co-operate in a defence system for tracking and shooting them down before they can reach targets inside the Soviet Union.

In practical terms there is little the Finns can do to prevent such a situation arising apart from emphasising the danger that the development of such weapons could create a

new, high-tension area in Northern Europe and try to prod the other Nordic countries, including NATO members Norway and Denmark, to adopt a combined front against the introduction of the weapons. Moreover, the situation is hypothetical until the full terms of the SALT agreement are known and its effects become apparent.

## Reminder

President Kekkonen's Hamburg speech did, however, contain a reminder to his audience and to the super powers that Finland, although a distant border country, is an integral part of Europe. The implication was that as a "positive and permanent constituent of the system of balance in Europe," neutral Finland could not be subjected to change. In other words, any attempt to change the status of Finland would disturb the balance. That applies to the Soviet Union as much as to the Western powers.

The delicacy of the relationship with the Soviet Union was illustrated when Marshal Ustinov, the Soviet Defence Minister, suggested during a visit to Helsinki last July that the two countries' armed forces might hold joint exercises. The suggestion was made informally and privately but caused something of a furore when it was leaked and became public.

Ustinov's move has been interpreted within NATO as a warning to Norway not to go ahead with plans to stock heavy equipment for NATO reinforcements on Norwegian soil and to go slow on combined NATO exercises in Norway. The Finns discount this interpretation. They believe it was simply a "mistake" by the Russians, a misinterpretation of the reaction it would arouse in Finnish public opinion. The Finns believe the Russians have since realised their mistake.

Finland's exposed strategic situation shapes its foreign policy and the relationship with the Soviet Union is central to it, but it would be wrong to emphasise only the problems this situation produces. Finland benefits substantially from trade with the Soviet Union and from the free trade agreements it has with both Western and Eastern Europe.

President Kekkonen said in Hamburg that he could even see moral values in the modus vivendi Finland has developed

with the USSR. Finland's foreign policy was not a balancing act between rival power blocs but an instrument through which Finland could both bolster its own security and work within the world community.

Foreign policy looms larger on the Finnish domestic scene than in almost any other country. It is the cement which binds all political parties from the majority wing of the Communist Party to the Conservatives because, whatever the nuances, they all recognise the fundamental realities involved in ensuring their country's continued independence. This broad consensus should ensure that continuity in Finnish foreign policy will be maintained when President Kekkonen leaves office in 1984.

Hilary Barnes



President Kekkonen (left) and Marshal Dmitry Ustinov, Defence Minister of the Soviet Union, meet at the Presidential Palace during the Soviet Minister's visit to Helsinki last July

# Banks keep a firm hand on the markets

IT IS a slightly eccentric trait of the Finnish banking system that loans to the public exceed deposits from the public. There is nothing very mysterious about it, of course. The difference is made up by bank borrowing from the central bank. But for the first time for years the situation is currently moving towards balance.

This helps to explain a number of important innovations in credit policy. During recent years the central bank has exercised control over domestic credit by regulating the size of the following quota, but this month the quota was reduced from FM 500m to FM 200m. Not long ago the quota was several billion marks.

The central bank has therefore developed other instruments of control. In March it introduced a cash reserve system. The system was activated in two stages and reserves are now 0.80 per cent of deposits. Further increases are expected since liquidity is currently growing fast as a result of a current balance of payment surplus and substantial capital imports.

Interest rates are politically fixed. The discount rate is 7.25 per cent, the only market in which interest rates are flexible is the gold money market, which is the second new instrument of credit control. It was established in 1975 and is becoming increasingly important.

Its primary function is to even out liquidity differences between the banks and to take account of seasonal variations. It is, however, also being used as a means of soaking up liquidity generated by the Government budget deficit.

The total sum of outstanding call money debt was increased this month from FM 4bn to FM 5bn, mainly to facilitate the

incorporation into the market of Postipankki, the post office bank, which is hanker to the Government.

As Government finances have sometimes come close to the point where next month's wages were in danger, Postipankki has had to maintain a very high liquidity ratio. The access to the call money market is intended to ease the position which arises for both the Government and the bank when the Government gets its liquidity forecasts wrong.

The other commercial banks may feel that this is a new move to increase Postipankki's competitive edge, although the central bank insists that the initiative was entirely its own. The State-owned Postipankki has an interesting role, not only as banker to the Government but also as an increasingly aggressive competitor to the other banks.

## Fluctuate

With total assets of FM 12.5bn at the end of 1978 (compared with FM 16.2bn and FM 16.0 bn for the two main commercial banks, Kansallis-Osaki-Pankki and Union Bank), the bank is not subject to the bank inspectorate but to the Ministry of Finance. It does not have a credit quota with the central bank. It is supposed to follow central bank credit policy, but in practice its fortunes tend to fluctuate with Government finances. As these are healthy today Postipankki has been able to increase its lending at an annual rate of over 20 per cent in the first quarter.

Postipankki has increased its international business especially fast. It only obtained permission to carry out foreign business in 1970, and this business has now grown to FM 7.4bn a year. This reflects the im-

portant role which the bank plays as banker to large industrial and commercial customers, a business it has developed strongly in the past few years, partly on its own initiative but also with the leverage of the recently established State Investment Fund, set up under the Ministry of Finance and administered by Postipankki to provide soft loans to industry.

Postipankki is setting up a representative office in London this year and plans to turn it into a wholly owned subsidiary later. This will make it the first Nordic bank with a normal commercial banking unit in London, although other banks are represented by the Nordic Consortium Banks.

Kansalliset and Union Bank have also internationalised fast recently. They began 15 years ago together with other Nordic banks in forming the successful Nordic consortium banks. Kansalliset is joining Copenhagen Handelsbank and Den Norske Creditbank in Svenska Handelsbank Nordic American Bank in New York. Union Bank is waiting to see how New York's attitude to foreign banks develops before taking a similar step. Skop, the central bank for the savings banks, has also decided to open a representative office in London this year.

Skop, Kansalliset and Union Bank all have wholly owned subsidiaries in Luxembourg which are used to assist Finnish business in Europe. Union Bank has taken an interesting initiative this year by setting up a team in Luxembourg as a corporate service unit. Their job is to assist small business by finding export channels and connections.

"We know so many companies with a good product but no marketing, so we are doing some export promotion," said Mr. Erik Stadigh,

general manager of Union Bank's international division. While the Finnish banks are going abroad, foreign banks are not permitted to operate in Finland except with representative offices. The new Bank A, which came into force in 1977, did not change this situation but a new Companies Act, going through Parliament, this will allow the Government to license foreign banks from January 1, 1980. Mr. Ju Linnamo, director of the bank inspectorate, said that severe foreign banks have express interest, but it is regarded doubtful whether the Government will actually agree to license foreign banks.

## Deficit

The banks are now operating in easy liquidity conditions as a result of a payments surplus and a Government budget deficit, which is being financed to a considerable extent by borrowing abroad.

Under former governor, now Prime Minister Mauno Koivisto the control of credit expansion played a crucial role in bringing savings and investment in balance and thus eliminating the current external deficit. B the rate expansion of bank deposits and advances is again rising to a level which tipped the current account into deficit at the beginning of the 1970s. But deposits rose by 14.6 per cent in the 12 months to May (commercial bank deposits 17.2 per cent) and advances 11.2 per cent.

The authorities have given plenty of indications of the threat of renewed inflation, a tighter grip on credit expansion is very much on their minds.

H.B.



## How do you choose your bank?

Is it by chance? Or by service rendered? We are a Finnish commercial bank with branch offices throughout the country. We stress individuality — which means everything you expect from a bank: efficiency — dynamism — expertise — all linked with a genuine desire to serve. That's why we're also known as the Service Bank. Through our affiliated banks Banque Transatlantique S.A., Paris and Hanse Bank S.A., Luxembourg and our extensive network of correspondent banks we also offer a complete range of international banking services. So, choosing us is dealing with a service bank in the fullest sense of the word.

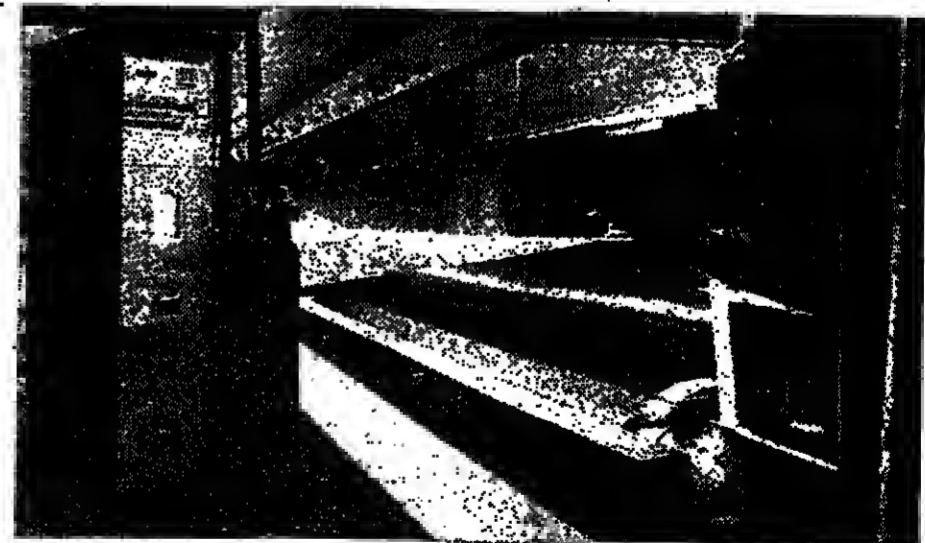
### Bank of Helsinki

Ltd. HELSINGIN OSAKEPANKKI HELSINGFORS AKTIEBANK

Head Office: Aleksanterinkatu 17, Helsinki, Finland  
Cables: Helsbank — Telex: 12453b hbank st — Swift address: HELS FI HH  
Affiliated banks: Banque Transatlantique S.A., Paris — Hanse Bank S.A., Luxembourg

## Stromberg U.K. \*Quality\*Reliability \*Delivery\*Service

Stromberg is one of the world's leading suppliers of electrical equipment to the paper industry. To provide the U.K. market with a service to match the high standards we have set in equipment manufacture, we have established a sales, service and technical back-up office in the U.K. Start-up June 1979.



### ULMA - the paper quality analyzer.

- |  |  |  |
|--|--|--|
| <b>Cost savings</b> <ul style="list-style-type: none"> <li>● Reduced reject production.</li> <li>● Increased saleable paper.</li> <li>● Elimination of customer returns and claims.</li> <li>● Competitive advantage by shipping highest quality product.</li> <li>● Elimination of coater down time resulting from sheet breaks.</li> <li>● Fast-easy maintenance by mill personnel.</li> </ul> | <b>Efficiency</b> <ul style="list-style-type: none"> <li>● Reel-time diagnosis of wire and felt condition.</li> <li>● Fast patching or removal of faults.</li> <li>● Better machine maintenance scheduling.</li> <li>● Increased operator efficiency.</li> </ul> | <b>Operational</b> <ul style="list-style-type: none"> <li>● Accurate identification and location of all faults — small holes, large holes, dark spots and light spots.</li> <li>● Sensitivity independent of paper grade or web speed.</li> <li>● Non-contacting with paper web.</li> <li>● Adjustment free.</li> <li>● Complete quality reports.</li> </ul> |
|--|--|--|

Stromberg U.K. P.O. Box 55, Brighton Hill Parade, Basingstoke, Hants RG22 4EP. Tel: Basingstoke (0256) 56631. Telex: 858623.

For enquiries outside the U.K. contact: Oy Stromberg Ab, P.O. Box 69, SF-65101 Vaasa 10, Finland, Tel. (961) 258 222, Telex 74211 strv sf.

*Handwritten signature or mark.*

FINLAND V

# USSR still heads the trade list

SAFING IDLY through the maze of old files in the Central Department of the Ministry for Foreign Affairs, an official was struck by the fact that 100 years ago Finland's main trading partners were Russia, Germany and the United Kingdom.

Today, the ranking list is the Soviet Union, Sweden and the Federal Republic of Germany. Japan has fallen to fourth place. As far as anyone can see, these uncertain times, however, will stay the same throughout the 1980s.

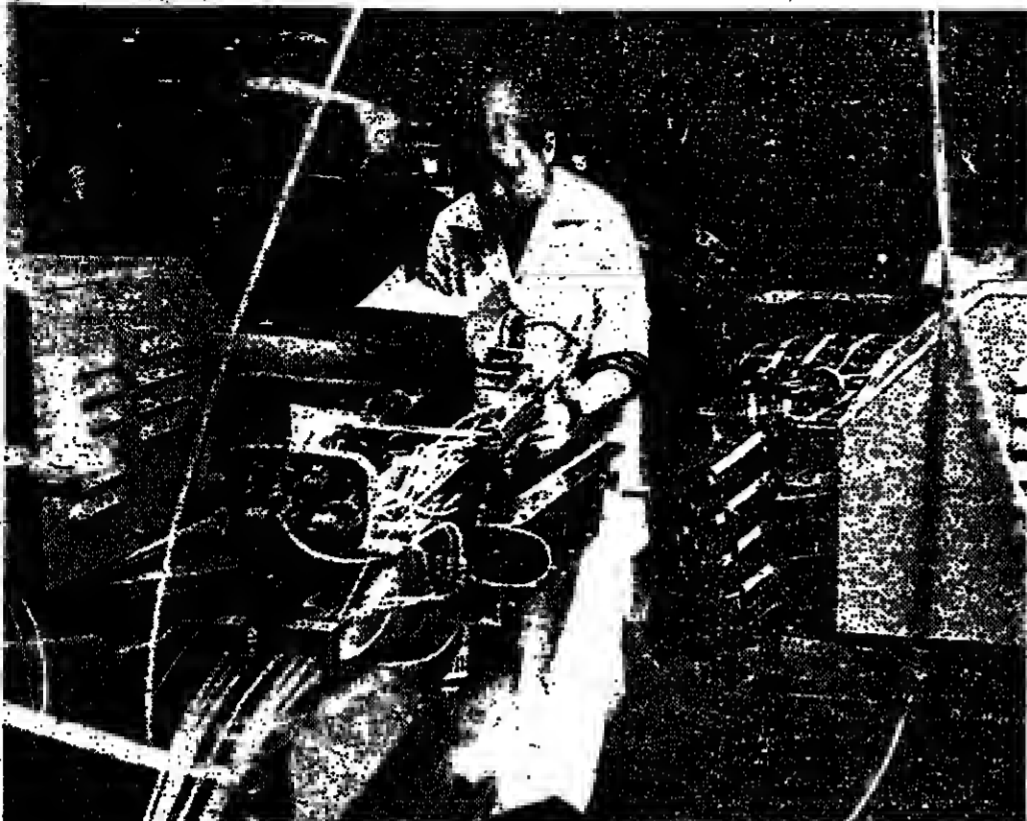
One thing seems certain, and that is the continued pre-eminence of Western Europe (EC plus EFTA) in Finnish foreign trade. This area took up 60 per cent of Finnish exports and supplied about 57 per cent of Finnish imports in 1978.

The Soviet Union's position at the head of the field is probably unassailable now. The only question is by how much this will lengthen. Finnish-Soviet trade is about planned and organised as it is in the face of soaring oil prices, gyrating exchange rates and the looming problems of the South trade. It is still based on five-year framework agreements with detailed lists of exports and imports. These are translated into still more detailed lists year by year.

Superimposed on this is the Finnish-Soviet Long-term Programme for the Development and Intensification of Economic, Commercial, Industrial and Scientific and Technical Co-operation until 1990. This programme was signed May 1977. It must be stressed that it is a programme, an agreement. But it is intended to help Finnish industry make longer-term production and investment plans its exchanges of goods with the Soviet Union.

It is intended to take out slack that comes at the end of each year period. There is usually a lag time before long-deliveries (icebreakers, lines for pulp and paper, and so on) get under way, another at the end of the long-term period when the long-term contracts have been let.

A Finnish engineering and building sector is experiencing lag now as the 1976-1980 agreement runs out. Negotiations for the 1981-1985 period just started and should be concluded early in September. About two-thirds of Finland's imports come from the Soviet Union, including most of the oil. The oil is sold at world market prices, and what havoc the oil crisis has done on the most carefully planned can be seen in the rise for the two five-year periods 1966-1970 and 1971-1975. The earlier period Finnish trade increased by the average of about one per cent, but in the second the average was no less than 117 per cent. The trade is bilateral in volume of oil imports did not increase significantly, but the trade must be kept in balance over each year period. Finland had to up its exports to the USSR



Finland is looking for a 4 per cent economic growth rate. A scene in Lassila and Tanoja, a factory at Seinajoki, Western Finland, which manufactures shirts, dresses and trousers

to pay for its swollen energy bill. It suited the Finns well enough for the alternative would have been to find convertible currencies and join the scramble in the free energy market.

So far, exports to the Soviet Union have been mainly manufactured goods and building projects across the border, while imports from that country have been chiefly primary products — two-thirds comprise crude, oil products, coal, coke, natural gas, electricity, and nuclear fuel services.

As long as the trade is bilateral, and as long as oil prices rise, Finland will have to find other goods to buy from the Soviet Union, which is anxious to step up its sales of more processed products. According to the target estimates given in the long-term programme, Finnish imports of Soviet machinery and equipment will be increased considerably in the five-year period 1981-1985, but even then will account for only 5 per cent of total imports.

The solution to this problem will be one factor hindering the Soviet lead in the Finnish foreign trade listings. At present, the Soviet Union accounts for nearly one-fifth of total Finnish foreign trade turnover. It seems likely that this will increase to a full 20 per cent this year.

How much the lead will lengthen will also depend on another factor, according to a senior Finnish official. This is the state of the economy of the West European countries that make up Finland's most important market. The trend in the past has been that when exports to Western Europe expand, exports to the Soviet Union show "normal" growth. Present OECD forecasts point towards a recession in the next year or so rather than a reinforcement of the current upturn.

Finland is satisfied with its agreement on free trade in industrial goods with the EEC and is looking forward to 1984 when the last tariff barriers are dismantled, especially for paper products. For the interim period until then the headache is North America. As the same Finnish official put it: "We wish the U.S. and Canada the best of economic health, because they will consume all the paper they produce."

When the U.S. economy catches a cold, both U.S. and Canadian producers start offloading their marginal surpluses of paper in the West European market, and they are highly competitive although Finnish exporters are more or less playing on their home ground in Europe.

Finnish builders, consultants, engineers and others have won a firm foothold in the Middle East oil-producing countries and parts of the African mainland. Now they are looking still further afield. Recently they won two large orders in the Philippines worth FM 1,100m (£135m), one for a complete pulp and paper mill, the other to open a copper mine. More orders are in the pipeline. The Latin market is receiving increasing attention, but not as much as it perhaps deserves.

An economic growth rate of about 4 per cent a year will be required in the 1980s if the present serious unemployment problem is to be beaten. This, in turn, will require, according to one recent estimate, a 6-7 per cent expansion of exports annually.

The latest forecast for 1979 is a 6 per cent increase in exports, but only 2.8 per cent in 1980. One longer-term forecast for exports in 1979-82 is an annual average growth of 5 per cent, which is getting near the mark. But it leaves no room for complacency or for unexpected setbacks, such as oil price increases.

Hilary Barnes

## Preferential

This lent added importance to the last round of GATT negotiations in Geneva. Finland came away "pretty satisfied." Its preferential treatment within the Common Market vis-à-vis North America was maintained, and the codes on non-tariff barriers were accepted.

A relatively new trend is Finnish exports in project marketing in overseas — as opposed to European — markets.

## YOUR BANK IN FINLAND

It's obvious that you can rely on a country's largest and most experienced international bank in Finland that's Union Bank of Finland.

With our international subsidiary and affiliate banks, our representative offices abroad and our extensive correspondent bank network we can guarantee you top-level banking service throughout the world.

In addition to our comprehensive payment and finance services we can also give you up-to-date information on the Finnish market and all aspects of Finnish foreign trade.

Why not get in touch with us right away!



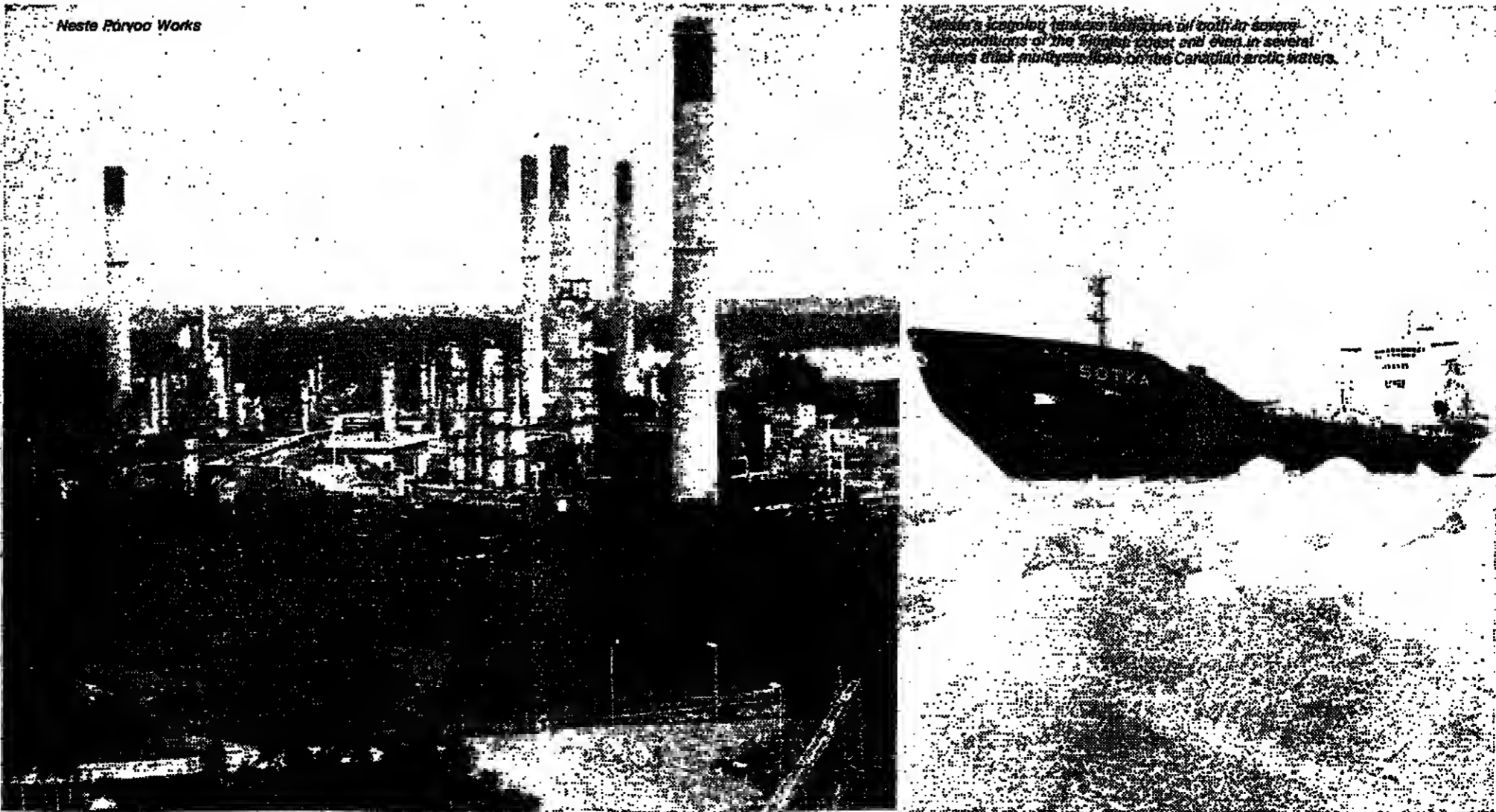
## UNION BANK OF FINLAND

Head Office Helsinki, Tel: 1651, Cables: UNITAS, Telex: General 124407, Foreign Trade 124525, Eurobonds 122161.

# NESTE Finland's national oil company

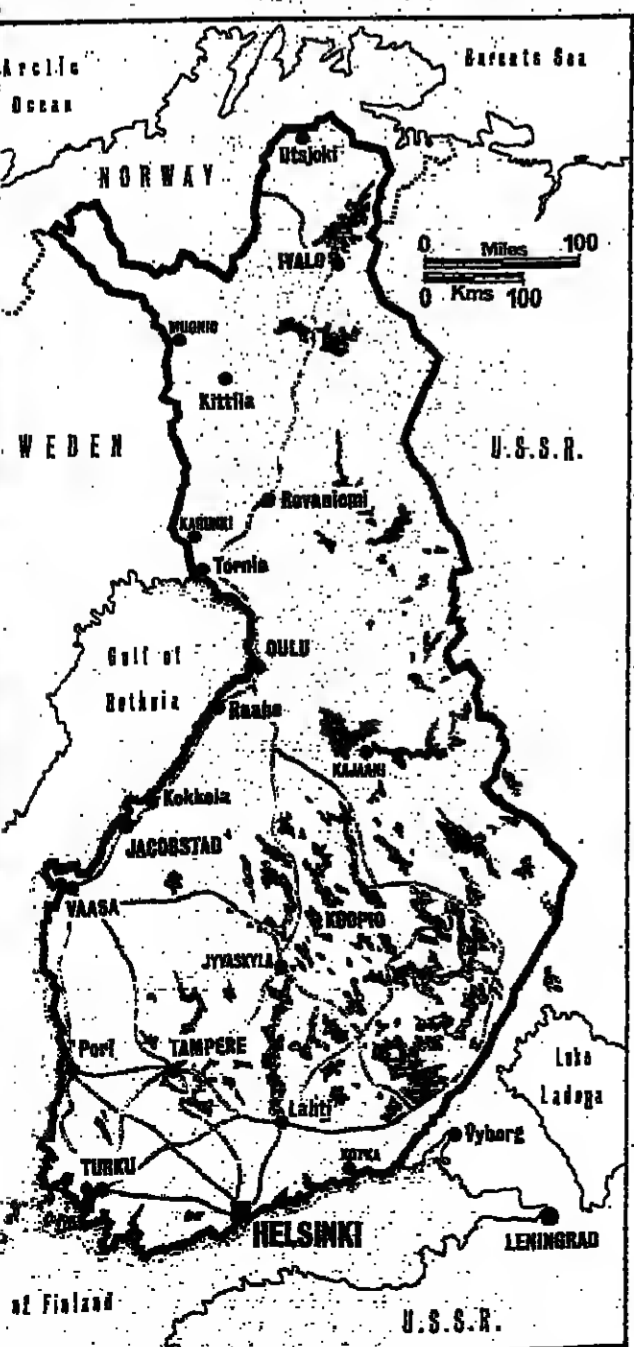
- **REFINING:** Neste's output of oil products meets three quarters of the demand in Finland. Total annual refining capacity is 15 million tons.
- **PETROCHEMICALS AND PLASTICS:** Neste produces ethylene, butadiene, propylene, benzene and VCM as well as plastics. LDPE and PVC are marketed by Pekema, subsidiary to Neste.
- **NATURAL GAS:** Neste imports natural gas and distributes it through its own pipeline system.
- **SHIPPING:** Neste has a tanker fleet for transportation of crude as well as oil and gas products. Most of the vessels are designed for difficult winter conditions.
- **ENGINEERING:** The engineering and construction of Neste's refineries and extensive petrochemical complex and associated facilities such as harbours, tank farms, water cooling systems as well as waste water treatment plants have to a large extent been carried out by the company's own Engineering Department. Through these and other integrated functions Neste combines knowledge with practical experience. All this is at your disposal.

# NESTE

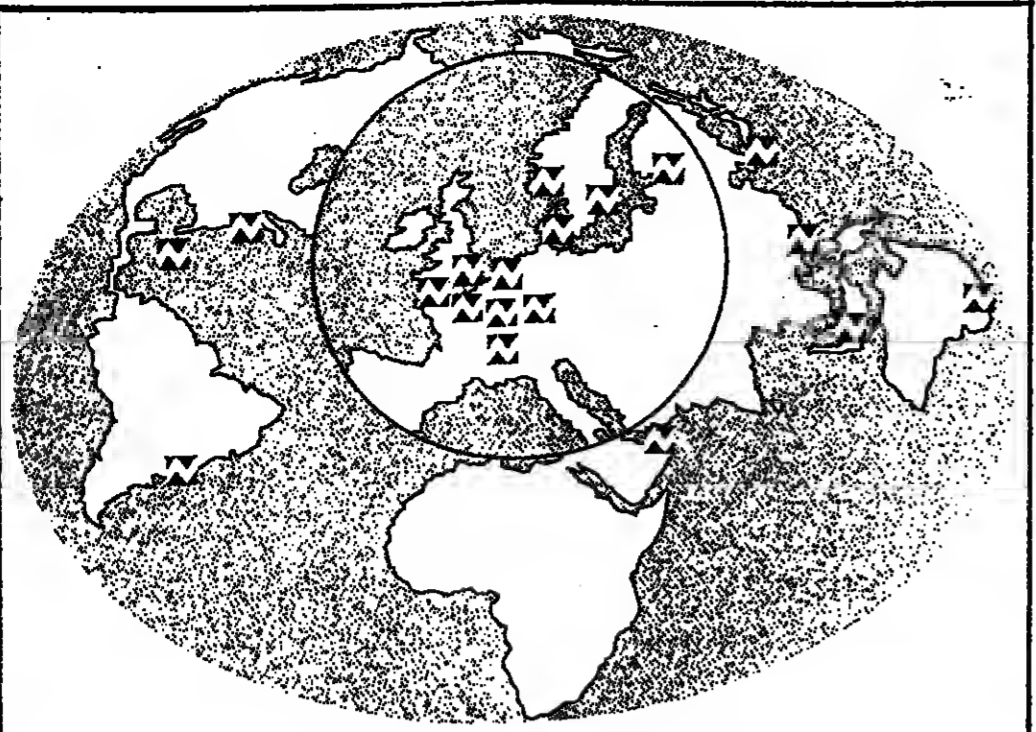


Neste Pörvoo Works

Neste's long-range tankers transport oil to Finland in severe conditions of the winter coast and even in several months thick maritime ice on the Canadian arctic waters.



FINLAND VI



**Nordic Bank  
International Merchant Bankers**

Total capital funds £96,000,000 Total assets £1,069,000,000

Nordic Bank Limited  
Nordic Bank House  
41-43 Lincoln Lane  
London EC3R 7SP  
Telephone 01-626 9661-3  
Telex 837654

**International Representation**  
London Nordic Bank Ltd. *Head Office*  
Copenhagen Copenhagen Handelsbank *Shareholder*  
Helsinki Helsinki Osake-Pankki *Shareholder*  
Oslo Den norske Kreditbank *Shareholder*  
Stockholm Svenska Handelsbanken *Shareholder*  
Singapore Nordic Bank Ltd. *Branch*  
Hong Kong Nordic Bank Ltd. *Wholly-owned subsidiary*  
Rotterdam Nordic Leasing International BV *Wholly-owned subsidiary*  
Channel Islands Nordic Guernsey Ltd. *Wholly-owned subsidiary*  
Zurich Nordfinanz-Bank Zurich *Subsidiary*  
Naassau Nordfinanz-Bank Zurich *Branch & subsidiary*  
Frankfurt Nordic Bank Ltd. *Representative Office*  
Sao Paulo Nordic Bank Ltd. *Representative Office*  
Sydney Nordic Bank Ltd. *Representative Office*  
Tokyo Nordic Bank Ltd. *Representative Office*  
Dubai Nordic Bank Ltd. *Correspondent Representative Office*  
New York EuroPariners Securities Corporation *Participation*  
Nordic American Banking Corporation *Associated Bank*  
Luxembourg *Shareholder subsidiaries*  
Paris Manufacture Haver Banque Nordique *Associated Bank*



# Turn for the better in forestry sector . . .

FINLAND'S FOREST industry has just emerged from a four-year period of severe recession. Given that reference point, and discounting the magnitude of the change by the general relief at its long-awaited appearance, it has entered what might be called a good period. Now there are grave doubts about how long that can last. Today's smile of relief may be tomorrow's all too familiar frown of worry.

The conventional method of analysing the short-term performance of an industrial sector according to the percentage changes in volume or value can give misleading results when the period of comparison was an "abnormal" one. Given this reservation, here are some numbers indicating the improvement in the results of the Finnish forest industry in 1978-1979.

The year-on-year volume growth of exports in 1978 was 77 per cent and the value increase nearly 20 per cent. The forecasts for 1979 are 7 per cent and 18 per cent respectively. In the course of the current year the volume of forest industry production will return to the 1973 pre-recession level, and the same will be true of the volume of exports.

increase in 1979 by about 1 per cent to 5.5m cubic metres, plywood by some 3 per cent and other board quantities by 5 per cent. The biggest relative increases in export volume are forecast for pulp, which might rise by 17 per cent to 1.8m tonnes, and for paper, which is expected to grow by 8 per cent to nearly 5m tonnes. The paper group comprises paper, board, and converted products of paper and board. The corresponding value increases also look good, especially the 33 per cent rise for pulp which has been the leading loss-maker in the forest industry for years.

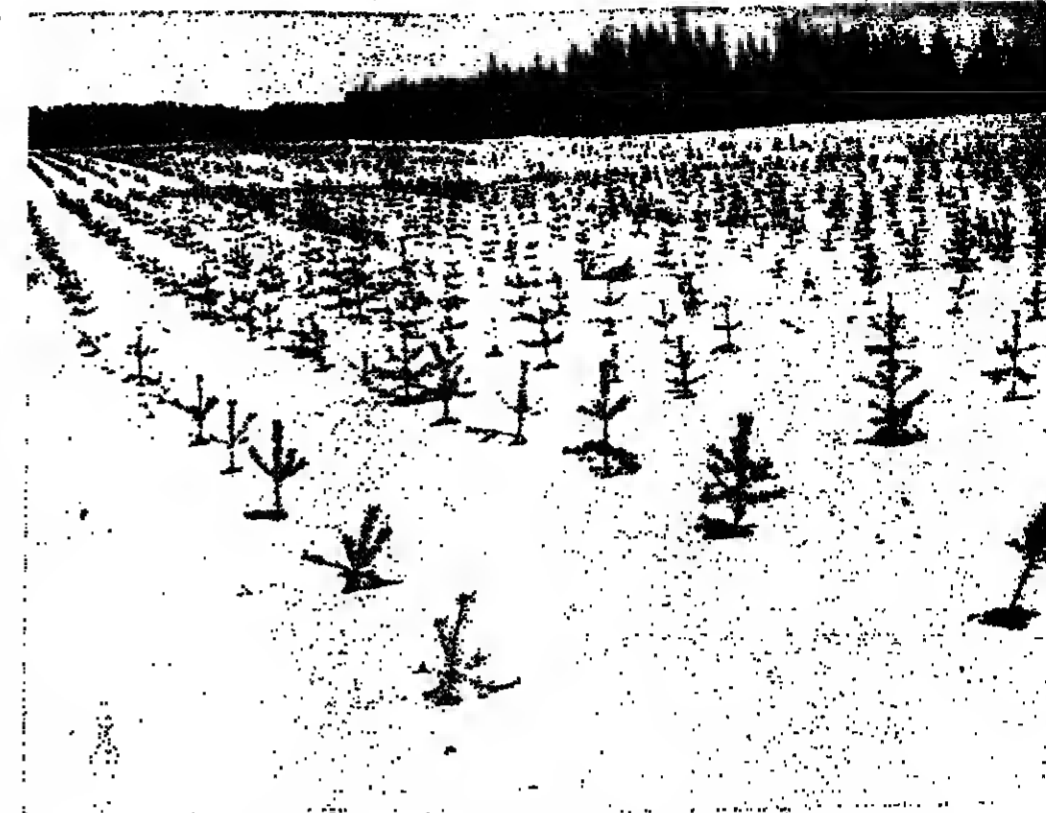
But the value estimates for 1979 are nominal. Using a price index in which 1974 = 100, the real prices in 1979 (that is, nominal price deflated by the wholesale price index) are about 25 per cent below the 1974 level for sawn goods, 5 per cent under for bleached sulphate pulp, a couple of per cent higher for newsprint and more than 30 per cent lower for kraftliner. None the less, four is chosen as the reference year because that was the first full year after the oil crisis and before the period of real economic recession in Finland.

In presenting these figures to the Press, Mr. Matti Pekkanen, managing director of the Central Association of Finnish Forest Industries, likened the Finnish forest industry to a ship that ran aground three or four years ago and has recently been refloated. The pumps must still be manned to get rid of the water that poured in and upset its trim.

Specifically, the problems are weak profitability, precarious international competitiveness and the heavy debt load incurred during the pre-recession investment boom which resulted in high debt management costs that increased during the bad years when net earnings were insufficient to meet interest and amortisation payments.

## Weakened

Three fairly large wood-processing companies required a massive rescue operation by the private banks and the public sector to save them from bankruptcy during the recession years. The largest corporations have come through, but much weakened. Still, even in the 12 months since mid-1978, when the upturn really started, they have managed to get their more ships, and the rehabilitation process is continuing apace. The upturn should continue into early 1980—that is the most that anyone will predict just now—so they should



Part of the new plantings of trees needed to keep up with the world demand for wood and paper

have another year of peace in which to continue the work. Or so they thought until recently. Prime Minister Alvaro Kivisto, whose Government took office to lay this year, has said that a new wave of inflation is the greatest danger facing the Finnish economy today. As the long-time Governor of the Bank of Finland he should know, and for a Social Democrat he enjoys extraordinary confidence in the business world. Inflation both of domestic origin and imported will be countered, according to his Government's programme, and a revaluation of the Finnmark cannot be excluded, he said, as a means of containing imported inflation.

This observation followed closely a demand from Left-wing economic researchers for a revaluation and a levy on export earnings, meaning in essence forest industry export earnings. According to one calculation the de facto 0.5 per cent revaluation effected by the Bank of Finland a few weeks ago will cost the forest industry FM 130m (£16m) in lost earnings this year.

The forest industry argues that what it is enjoying today is not windfall profits but a restitution of some of the losses

it suffered during the past three years of deficit operations. It can scarcely make the necessary replacement and rationalisation investments, let alone consider enlargement of capacity. There is hardly a company that has been able in the past three years to make more than a third of the depreciation needed. If the predicted investment volume in the current year is achieved (approximately FM 2bn), it will still be only a half of the investment volume in the wood-processing sector in 1975.

What the forest industry is asking now is to be allowed to get on with its plans for the immediate future without artificial interventions such as revaluations and levies. It would also like to see some longer-term decisions on tax policy. At present productive investments in machinery and buildings will enjoy turnover tax reliefs until the end of this year. These reliefs were introduced a couple of years ago, but only for short periods at a time, which is hardly conducive to longer term planning.

Only one Finnish company has placed a definite order for a new paper machine this year, but four more are likely to

place orders in the near future. There are also a couple of conversion plans in the offing, from newsprint to fine papers or from sackkraft to newsprint. The pulp branch, there will be more emphasis on mechanical than the chemical side. Enlargement of sawmilling, plywood and other board capacity is unlikely in the near future.

Most branches of the forest industry are working at or near capacity today. World forecasts suggest that the consumption of paper will increase by an average of 3 per cent a year. Thus new capacity will be needed, but when Finland will build it depends on what happens elsewhere in the world.

The Finnish industry watching the North American situation closely. If there is recession there later this year, North American producers will be seeking outlets for their surplus capacity in the European market. As they can sell at very competitive prices, Finnish producers may find themselves squeezed once again in what is their main market area.

L1

# YIT the Finnish contracting professionals



Flour mill and grain silos in Abu Dhabi. Operation and Maintenance of the Medinah Sewage System and Training of Staff. Lovisa nuclear power plant. YIT's share of the construction works was about 30 per cent.

## YIT - an experienced all-round contractor

YIT relies on over six decades of experience in civil engineering and relating to mechanical works. Today YIT is one of Finland's leading construction companies, especially in exports. YIT operates today in the whole field of construction, also on a turn-key basis.

## YIT - an expanding contractor

Total invoicing in 1978 rose up to 160 million dollars. Despite the economic depression growth was about 35 %, and growth will continue. Today the company has 3500 employees in Finland and abroad.

## YIT - an international contractor

YIT's export invoicing amounted to about 103 million dollars in 1978 and today total commitments abroad approach 300 million dollars. More than half of the personnel work abroad. YIT is active especially in the Middle East (since 1958), and also in Africa.

## Scope of activity

- public buildings
- office buildings and hotels
- industrial buildings
- power plants
- earthwork and hydraulic construction
- roads and bridges
- tunnelling and excavation
- water supply and environmental protection
- work shops
- painting works
- supply of equipment

For a list of references and prequalification information, please contact our Export Division.

## OY YLEINEN INSINÖÖRITOIMISTO

HEAD OFFICE:  
Ratamestarinkatu 12, 00521 Helsinki 52, Finland  
Phone: (358-0) 15951, Telex 12-4161 yntf

BRANCH OFFICES:  
P.O. Box 2809, Riyadh, Saudi Arabia  
P.O. Box 3427, Abu Dhabi, U.A.E.  
P.O. Box 2508, Tripoli, Libya

# The Dynamic Third.

Market shares of total deposits

	1974	1978
	%	%
The Skopbank Group*)	29.6	30.8
The cooperative banking system	22.4	23.7
Biggest commercial bank	16.8	15.6
Second biggest commercial bank	14.6	13.8
All others together	16.6	16.1



**The Skopbank Group  
The Dynamic Third of Finland**

\* Skopbank with shareholder banks  
Street address: Aleksanterinkatu 46, SF-00100 Helsinki 10. Phone: 17251 Telex: Foreign Exchange and Eurobond 124759 shop sf, Payment Orders 122285 skop sf, General Business 122284 shop sf, SWIFT-address: SKOP FI HH  
Affiliated bank: Banque Nord Europe S.A., Luxembourg.

## THE FORESTRY industry

provides over 40 per cent of Finland's export income and a substantially higher proportion of net export earnings. It exploits the country's largest single natural resource, a renewable one. Thus, the national interest demands that the industry be effective and competitive, and public policy to the long run can hardly ignore this demand.

This premise has to be stated when speculating about the prospects for the pulp, paper and saw mills during the next decade because they have just experienced a rough period, when few, if any, were running at a profit. This period of depression lasted longer than expected, bit deep into company finances and exposed weaknesses.

The industry will enter the 1980s in some turbulence. Its shape at the end of the decade will depend partly on market developments abroad but also on decisions which have to be made by both Government and individual companies to resolve problems. The better results expected from this year's trading cannot conceal the difficulties, although at worst they might lead to the postponement of the decisions for a year or two.

Some of the decisions will be political and controversial. They concern the balance between farm and industrial earnings, taxation and exchange rates. They are likely to raise the issue of the degree of state intervention in the operating of the forest and the allied processing branches. Most probably the Finns will emerge with the pragmatic solutions at which they usually arrive when a national interest is at stake.

which have left them with extraordinarily large debts. The external threat comes from the North American producers, whose costs are sufficiently low to enable them to compete on the West European market. At a later stage the developing countries, such as Brazil, whose fast-growing plantations will give them a price advantage, will be able to take over some traditional Finnish export qualities.

The raw material problem is not primarily that of the limits to the total supply. The amount of wood cut to recent years has fallen short of the allowable cut and the annual increment. The three MEIRA programmes to improve silviculture demonstrated that the wood supply can be raised further before the ultimate limit is reached.

The Forest Research Institute calculates that a 10 per cent increase in the allowable cut to some 66-67m cubic metres a year is possible between now and the end of the century. Finland has been importing annually some 5m cubic metres of raw material from the Soviet Union. If that import is continued, the present cut would exceed the timber requirements of the present industry, even when it is working at full capacity.

## Ownership

The restraints derive from the high cost of the wood and the forest ownership pattern. Costs have been boosted by the political aspiration to provide farmers and forest workers with incomes comparable with those of industrial workers. They are also kept high by an ownership pattern which makes rational harvesting difficult. The average size of a forest holding in Finland is 35-40 hectares.

Under these conditions the Finnish pulp and paper mills start with a severe competitive disadvantage in raw material costs compared with mills in the

southern U.S. and Canada. In the Southern States, in particular, the growing time of the trees is far shorter and plantation sizes facilitate rational, large-scale harvesting. Mr. Aarno Esila of Jaakko Pöyry, the forest industry consultants, calculates that wood under bark costs \$35 a cubic metre at a Finnish mill compared with around \$20 a cubic metre in the southern U.S.

The ownership pattern produces another major problem which will have to be solved in the 1980s and which perhaps more than any other raises the question of state intervention. It affects the regularity of the timber supply to the mills.

Around 72 per cent of Finnish forest land is privately owned, with only about 8 per cent belonging to companies. In the remaining 64 per cent there has been a steady shift in ownership away from working farmers to people who do not depend on the income from their forest holdings. Their plots have mostly been inherited and are regarded as an object of capital appreciation and a leisure facility as much as a source of income. It is estimated that about a quarter of forest land now belongs to these so-called "passive" owners.

For them the sale of timber is a marginal source of income. They can wait for the peak price or they can sell trees to pay for a heavy investment such as the buying of a house. They are influenced by the relatively high marginal tax rates they will have to pay on their timber sales. Their behaviour does not contribute to a regular supply of raw material at stable prices for the wood-processing branches. This year their resistance to the current prices offered threatens some mills with stoppages for lack of raw material.

The issue is red hot political.

ally and divides the two main parties in the governing coalition, the Social Democrats and the Centre (formerly Agrarian Party). The Centre Party claim that taxation on forest owner is too high and that since 1977 they have experienced both lower returns from the sale of timber and higher tax charges. The Social Democrats, backed by the Communists, stress the increase in the value of forest holdings and the necessity of ensuring an adequate supply of wood for the mills.

## Adjust

The forest industry organisation is currently working on the idea of a price equalisation policy, which by preventing violent fluctuations in price could ensure a more stable supply of wood. The difficulty would seem to be how to adjust such a guarantee to the fluctuations in, say, pulp and newsprint prices on the export markets.

A review of the tax system is another suggestion mooted. State subsidies are recognised to be a dangerous solution, not least because of the hostility within the EEC. In any case the issue will have to be solved soon, either voluntarily or by State intervention. If the mills are to operate rationally in the 1980s.

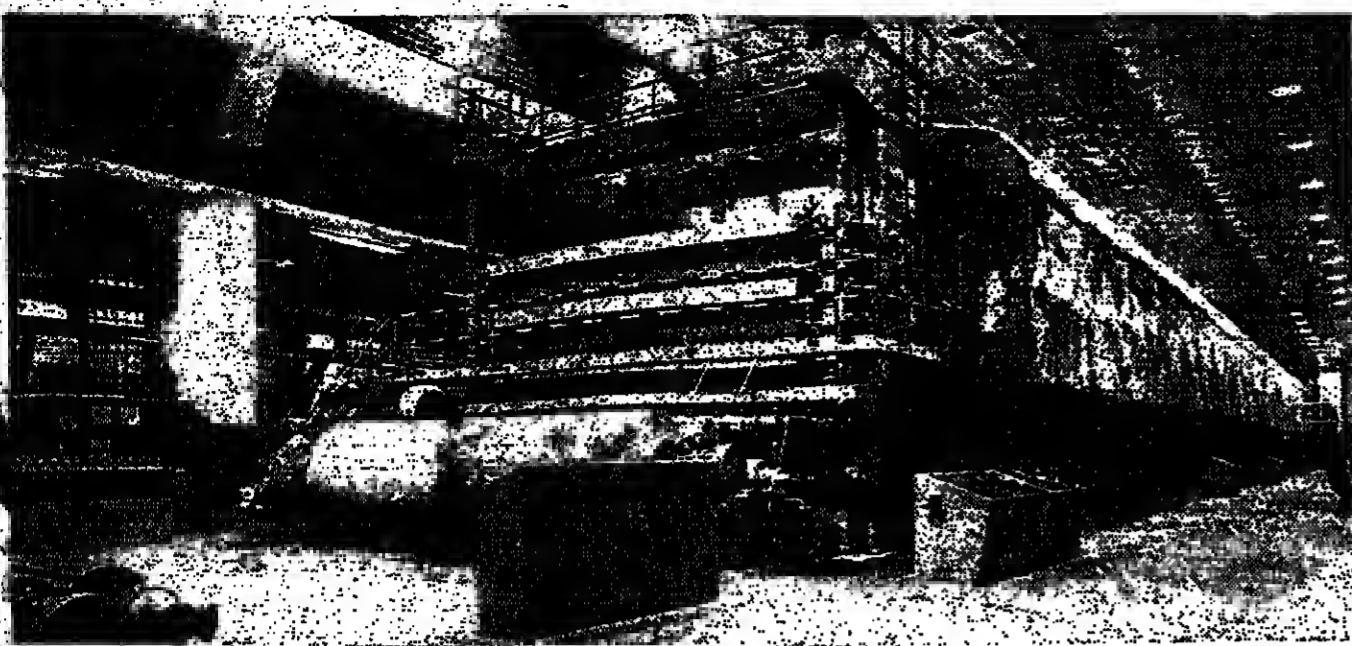
Whatever the outcome the mill managers know that they will have to live from now on with high raw material costs. The implication is that they will need to develop new product mixes during the next decade.

CONTINUED ON NEXT PAGE

*Jylliä*



W. D.



Finnish manufacturers of machines for the pulp and paper industry know they must maintain a technological advance if they are to keep their market share

# Paper machinery sales boom

LAND'S PULP and paper machinery manufacturers have one word in their sales pitch. The most spectacular evidence for the pick-up has come from the Philippines, where Finnish companies shared Sweden's Stal-Laval a contract for a pulp and paper mill on the island of Anao, but older customers also been placing orders.

The TVW group, for instance, has an order book worth \$325m, which is twice as much as it was a year ago and as the three companies intend of being able to operate a normal work load at least the end of 1980. About 80 per cent are export orders. The group has been averaging sales of about \$100m but year turnover could be as high as \$200m.

Competition on the world market remains tough, however, as is still considerable overcapacity in the engineering of lines for the pulp and paper industry and the Finnish producers know they must maintain a technological advance if they are to retain their 15 per cent share of the market.

They are making a considerable effort in research and development both to improve the efficiency of their traditional mills and to produce new plants for developing countries which need to exploit the raw materials. The work has continued in the year to expand their sales base and are geared to provide turnkey package deals which are expected to become increasingly common.

The group will involve not only the purchase of equipment but also technical assistance and training.

Continuous digesting and bleaching equipment for pulp mills. It has been estimated that about half the pulp produced in the world passes through Kamyr equipment.

All the Finnish companies are conglomerates whose forest industry machines are one product sector in a spread ranging from pulp and paper goods to several types of engineering operations. The pulp and paper machinery business was developed after the 1939-45 world war, when the Finns had to pay reparations to the USSR, and the Soviet market remains a major and expanding source of orders.

North America and the Nordic bloc have been the other major markets. Tampella, for instance, has sold 12 board machines to North America and in the first two months of this year announced two re-building orders. Valmet paper machines are common in the U.S.

Increasingly over the last few years, however, the Finnish companies have been gearing up to exploit other areas of the world.

All now have some involvement in Japan and South America. The TVW group licenses Sumitomo in Japan and won its first order there this year on a market which has been a traditional Beloit stronghold. The group also set up a sales office in Singapore last October.

Ahlstrom sells its pulp-making equipment in Japan through Gadelius trading company, which is a subsidiary of Svenska Fikst of Sweden. It also has an agreement on paper-making equipment with Kobayashi.

All major Finnish companies are establishing themselves in Brazil. The TVW group expects to start building an engineering plant at Campinas this summer in co-operation with the Brazilian investment company. This is an investment of close to \$20m, of which TVW's share is 47.5 per cent.

Rauma Repola has announced plans to set up a manufacturing base together with Beloit and a Brazilian partner, Monteiro Aranha, at a neighbouring site in Campinas. The Kamyr group, in which Ahlstrom is engaged, has started producing bleaching plants in Brazil and has received its first orders.

The \$200m Philippine contract concluded with Manila Paper Mills in May this year is an example of the packaged projects the Finns are now providing.

The Finnish consulting company, Ekono, will hold the management contract and was responsible for organising the consortium to build the pulp

and paper mill, which will have an annual capacity of 190,000 tons of bleached sulphate pulp and 165,000 tons of fine and printing papers. Wartsila's share of the contract is about one-third and covers the fibre line, the coating and finishing machinery as well as water and waste treatment plants.

Another third goes to Valmet for two paper machines and other equipment for the paper mill, while Ahlstrom will take about 20 per cent of the order with its boiler and chemical recovery equipment. The mill is expected to go on stream in the first half of 1982.

The Finnish manufacturers can benefit considerably from having as their compatriots Jaakko Poyry, the world's leading forest industry consultants, and Ekono. The latter company is also responsible for building a sulphate pulp mill in South Korea, for which two Finnish companies won orders last year. Rauma-Repola delivered the main machinery, worth about \$15m, for the fibre line, while Ahlstrom supplied a soda recovery boiler, an auxiliary boiler and a lime kiln.

## Know-how

Other Finnish companies have started to sell pulp and paper-making know-how. Early this year, for instance, the State-owned Enso-Gutzeit company signed a technical co-operation agreement with a Honduras concern. This covers the building of at least two sawmills, constituting the first phase of the Olancha project, a \$600m development plan for the wood resources of central Honduras.

The Finnish companies calculate that their main markets will continue to be in the Nordic area, North America and the USSR, where long-fibre raw materials predominate, but they have also charted a growing need for short-fibre technology in countries starting up pulp and paper production. These countries frequently want to make paper from a variety of raw materials and, because the market is not large enough for one product, they also want a varied product mix.

The TVW group, in particular, has concentrated on developing this type of technology. Last year it completed a machine for Argentina which manufactures newsprint from short-fibre willow and started up another newsprint machine in Peru based on bagasse. Recognising that developing countries will need multigrade machines, the group has experimented with and is ready to offer equipment designed for the complicated product mix

## Problems

to organise the marketing of new products. In turn should logically lead to integration with foreign firms and to close co-operation with foreign manufacturers.

Finnish mills will have to compete in products in which wood input is lower per finished product and to which which can draw advantage from Finland's slow-growing, long-fibre raw material, as about five cubic metres of wood make a ton of sulphate pulp at a cost of 50 per cent more than 2.5 metres of wood is needed to make a ton of newsprint at a cost of 90-95 per cent.

The pattern for the next few years must be to close down non-integrated sulphite mills and to invest in modernised pulp plants based on newsprint and printing papers. But even Finnish mills can even to be competitive in such products, they will also have to make more specialised products, selling in smaller lots and therefore demanding an extended marketing operation.

These changes will call for investment, and the big question is whether the pulp and paper companies can generate the capital needed. After four years of little or no profits the debt of the Finnish

companies is larger than their annual turnover. Debt repayments are consuming on average 10 per cent of turnover. Only a few companies are in a sound enough financial position to envisage the investments called for in the 1980s.

But the pulp and paper industry is notoriously subject to wild fluctuations and companies can make a lot of money when the market is good. A period of two or three years of high profits, such as the Finns enjoyed in 1972-74, could transform the picture. The current year promises to initiate a substantial recovery, but no Finnish manager is yet prepared to bet that it will last long enough, and should another recession come in 1980 many Finnish companies would be badly squeezed.

At this point one must look at the role of the Finnish commercial banks. Finland does not have a capital market of the kind operating in America or Britain, and the pulp and paper companies are financed chiefly by bank loans. Their equity/debt ratios are ridiculously low by American standards, and by the same comparison the Finnish banks are widely over-committed in their lending to the pulp and paper companies.

The same applies to most Japanese businesses, and arguably it does not matter much, provided the companies generate sufficient earnings to cover the cost of the capital

# KANSALLIS - FOR THE BEST

Finland is not only a land of lakes and forests. It has a secure economy and modern industry. Finland's know-how in branches of industry is internationally acclaimed. Take wood processing technology for example. Exporters of know-how need the backing of financial and advisory expertise. They look for solidity and experience. They turn to Kansallis-Osake-Pankki, a leading commercial bank in Finland.

Working with Kansallis-Osake-Pankki provides a direct link straight to the heart of Finnish economic and commercial life. Ease and flexibility of operation is guaranteed by over 430 branch offices all over Finland. It is supplemented by a global network of correspondent banks, affiliates and representatives. Kansallis-Osake-Pankki offers the best in Finnish banking giving you the benefit of first-rate know-how and expert service - internationally.

## KANSALLIS-OSAKE-PANKKI

Head Office: Aleksanterinkatu 42, P.O. Box 10, SF-00101 Helsinki 10, Finland. Tel: 124412. Phone: (+358 0) 1631. Cables: kansallis, SWIFT: KOPFIH. Subsidiary: Kansallis International Bank S.A., Luxembourg. Associated Banks: Nordfinanz-Bank Zürich, Zurich, Nordic Bank Ltd., London. Manufacturers Hanover Banque Nordique, Paris. Representative Offices: Frankfurt am Main, Moscow, Sao Paulo, Singapore, Hong Kong, Sydney.

THE INTERNATIONAL FINNISH BANK

# New design is always part of our technology.

A fine example of Wartsila's new creative way of thinking is the car/passenger ferry Finnjet, the pride of the Baltic. This vessel, over 200 metres in length and powered by gas-turbine engines, is the world's largest and fastest car/passenger ferry.

Equally good examples are the much smaller products, like this Arabia porcelain and the Nuutajärvi gas wares. Ever-developing working examples of practical design, they are perhaps the best known of Wartsila products throughout the world.

Or the Ekenäs Pottery sanitary system which reduces the amount of water required for flushing to less than one half of what was needed before.

Or the sought after final result of Arabia enamel product development: elegant dishes and cast-iron cooking pots.

Or machines for the paper industry, based on decades of experience. And sophisticated printing presses, which are capturing new markets everywhere.

However, as all these examples show, good-looking design is not enough in itself. First and foremost, the product must meet the customer's functional requirements. Or even exceed them.

When Wartsila creates something new, it is also meant to function. That is always the key aspect of our technology.

# WARTSILA

Head Office: Pikkänsillanranta 1, 00520 Helsinki 53, Finland. Phone 90-70 951. Telex 124623 whki sf.

# More confidence in the shipyards

ONE OF the main streets of Helsinki rises slightly as it approaches the Lutheran cathedral and in the distance one sees three enormous yellow blocks, reminiscent of three small power stations.

When you reach the top of the hill they reveal themselves to be the superstructure of three great icebreakers, moored in the harbour after the winter's labours. It is a striking introduction to one of the specialities of Finnish shipbuilding.

Over the years the Wärtsilä company's Helsinki shipyard has delivered 42 icebreakers for use on rivers, lakes and in the Baltic and Polar regions. It has two on order currently.

Apart from deliveries to domestic owners, most of the icebreakers have been sold to the Soviet Union, but the latest delivery, the *Atmirante Irizar*, of 14,900 tonnes displacement, went to Argentina, to be used as a combined icebreaker, research vessel, passenger ship and rescue ship in the Antarctic.

Finland's shipbuilding industry has not come through the world recession unscathed, but the years are less vivid than in many other countries and there is a confidence not found in many other countries that the industry will come out of the recession with its capacity intact and without the closure of any major yards.

The specialisation, of which the Wärtsilä icebreakers are characteristic, is one of the reasons for this. The yards of Wärtsilä, Rauma Repola and

Valmet, the three main shipbuilders, build a wide range of vessels, including roll-on, roll-off ships, car-passenger ferries, gas carriers, barges and barge carriers, luxury cruisers, tankers and bulk carriers.

They aim to build vessels for special purposes in short series. This diversified production has helped them to come through the recession in relatively good shape.

Finland's trading links with the Soviet Union are important for the shipyards. Deliveries of Finnish ships are one of the major items in the five-year trade agreements between the two countries, and in principle it has been agreed already that in the next five to ten years ships should be even more prominent. Therefore, as long as the yards are able to build at competitive prices, Finnish shipbuilders can see light at the end of the tunnel.

But the present two-year period is a difficult one. The ship orders from the Soviet Union were hunched at the start of the current five-year agreement and the new agreement runs only from 1981.

However, prospects have improved considerably in the past few months after looking exceedingly bleak at the turn of the year. The situation still varies considerably between yards and more new orders are required to guarantee stability of employment (which has fallen from 18,000 to 15,500 over the past three years).

But at the end of March the

yards had on order 84 vessels totalling 580,000 grt, which compares with 36 vessels of 355,000 grt delivered in 1978.

The most valuable of the new orders obtained this spring was for three drilling ships for use in Arctic waters, which will be built by Rauma-Repola for the Soviet Union. The order is worth about \$230m and the vessels are for delivery in 1981 and 1982.

A feature of these dynamically-positioned ships with their satellite navigation equipment is that they will not use anchors in the positioning process, which means that they can be moved away from a well with great speed. It also means that the vessels can be narrower and therefore cheaper than earlier vessels of the same type, according to Mr. Matti Kilpinen, marketing director of Rauma-Repola.

## Investment

Mr. Kilpinen believes that the Soviet Arctic areas will be the subject of a great deal of investment in coming years, not only in oil and gas exploration, but also for mining, and Rauma-Repola believes that the drilling ship order will place it in a good position to obtain a further share of these investments.

Other important new orders this spring have gone to Wärtsilä. After the successful lengthening last year of the cruise vessel *Song of Norway* (by inserting a mid-section which increased the cruiser's

capacity by 44 per cent), the first time that any yard had undertaken the lengthening of such a complex vessel, an order was placed by the Norwegian owners to lengthen the cruise liner *Nordic Prince*, *Song of Norway's* sister ship.

Wärtsilä also benefited from a renewed interest by Finnish owners in placing orders with Finnish yards (not a single vessel for a Finnish owner was delivered in 1978). The Saily Shipping Company placed an order for two passenger-car ferries for the Sweden-Finland route and its competitor on the same route, SF Line, ordered a sister ship to a ferry already in operation.

Rauma-Repola's Uniskaupunki yard, for medium-sized vessels, has received an order for two timber carriers from a Soviet-Finnish company and is building two more on its own account. The vessels are about 2,000 dwt. As the highest sawn timber exporter in Europe, Rauma will either operate the carriers itself or charter them.

The four yards operated by the Valmet group are the third of the large shipbuilding groups. Ships recently delivered include roll-on, roll-off vessels, gas tankers, research vessels, naval patrol boats, tugs and barges.

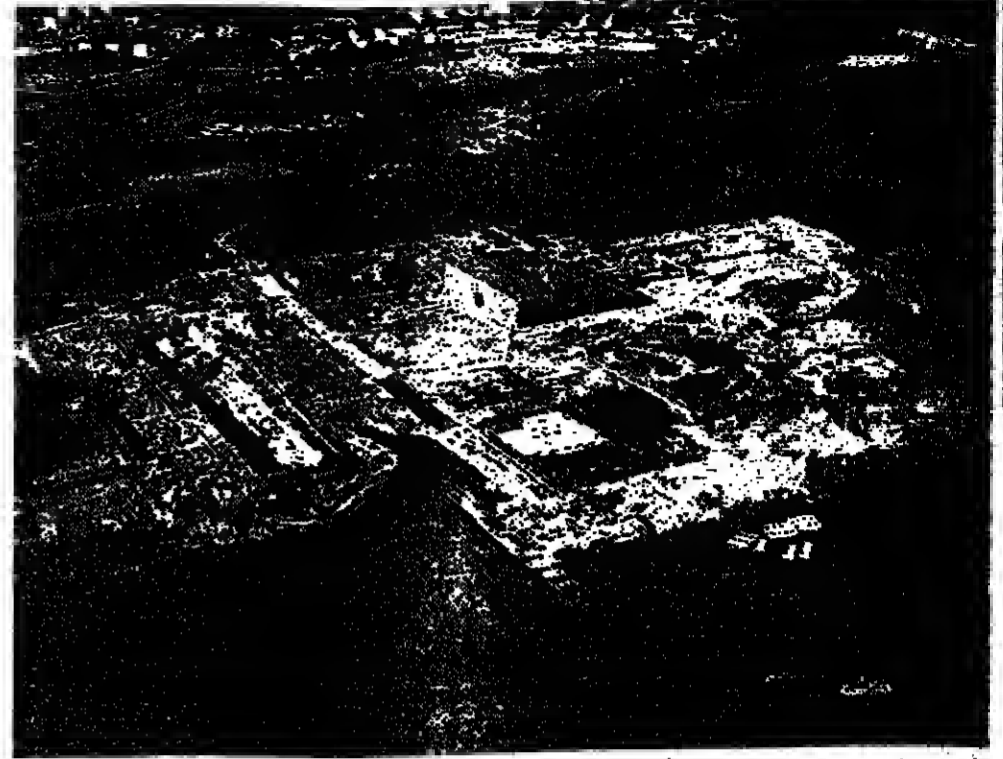
It is currently competing what at the time was one of the highest export orders ever won by Finland—two 36,600-dwt barge carriers for the Soviet Union. The first of these was delivered—five weeks ahead of schedule—last autumn and the second is due for delivery this year.

The Navire Yard, operated by the Navire company at Turku, is the final link in the shipbuilding chain. It was completed at a bad time—1975—but adapted itself to difficult circumstances by a varied production. In May it delivered a special floating ramp to the Port of Aberdeen for use in loading roll-on, roll-off vessels, which Navire claims is the first construction of its kind in the world.

The government has helped the shipyards by bringing forward orders for naval vessels and facilitating orders for trawlers. It has also provided some subsidies, but the subsidies have been modest and are not automatic.

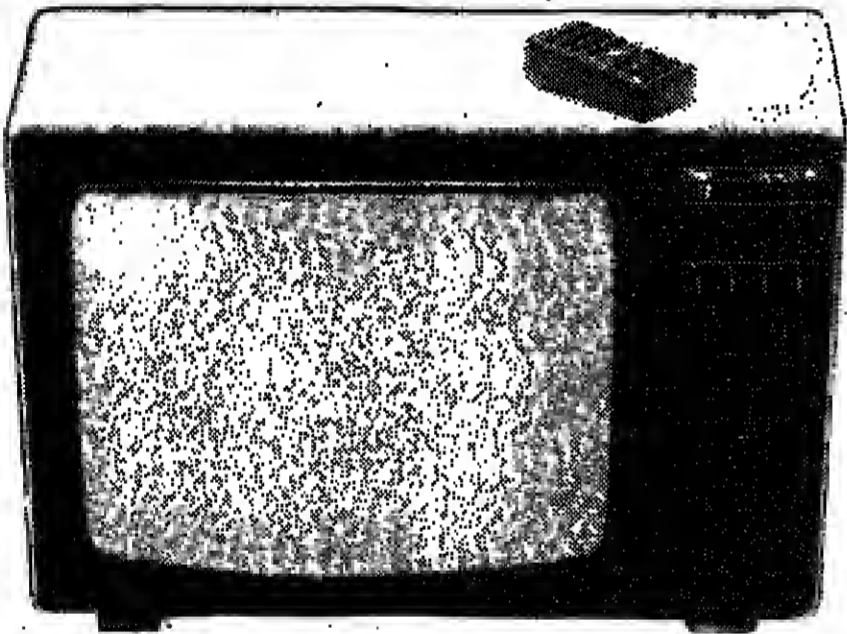
According to the yards, cash subsidies of the order of 3 per cent of the purchase price was the most they had received. However, the financing problems of the Finnish yards are eased by trade with the Soviet Union, which is cash business.

H.B.



Part of the Valmet yard, in eastern Helsinki, seen here during the construction, now covers an area of 300 acres, of which 130 are in industrial use. In size, Valmet now 300,000 dwt dock ranks first in Finland

## Finlux OBC colour TV



Manufacturer:

OY LOHJA AB Finlux Export Division  
Karjalankatu 2 SF-08100 Lohja 10 Finland  
Tel: (9)12-22 422 Tlx: 1410 LKLO SF

## Contractors win new orders

HARDLY A week passes without a report in the Helsinki papers of a large new construction project won by a Finnish company or consortium in some distant spot which the interested reader cannot even find in his old elementary school atlas.

For a country that is a net importer of capital and has only 47m inhabitants this seems odd, especially as the contracts are worth anything from \$1m to \$800m—occasionally even more. Odd it may be, but some of the Finnish companies have become household names in the international construction trade.

It is probable that no Finnish engineer or architect has been seen yet in the Falkland Islands, but elsewhere "Finlandisation" of the developed and developing countries with technological and construction know-how has been galloping along in the 1970s.

These construction contracts are hard to classify under the traditional headings of customs lists. The projects can cover everything from initial planning to delivery of the keys of the completed construction, often with the machinery (or furniture and fittings) installed and ready for use.

Such projects involve consultancy, engineering, town planning, water supply and so on, and the actual exports come from the building materials, engineering, wood products and other components.

The Association of General Contractors of Finland (AGCF)

keeps its own statistics on the activities of its member companies, which account for about a half of total Finnish construction. This was valued at about FM 20bn (\$5bn) in 1978.

The ratio of construction exports to total construction investment in the home country in 1978 was 9 per cent and is expected to be more than 10 per cent in the current year and to rise steadily at least in the early 1980s. Finnish contractors won orders for more than 30 new foreign projects worth \$600m in 1978, bringing the total value of export projects being handled up to \$1.8bn by the end of the year.

## Earnings

Actual export earnings of the construction industry, not to be confused with the total value of projects in progress, amounted to about \$500m in 1978, and are expected to approach \$600m (at 1978 prices) in 1980.

Mr. Kalle Pekka Sävelkoski, export manager of the AGCF, says: "With such fat order books, the tremendous growth rate must inevitably slow down in the early 1980s. We shall then have to concentrate our resources on maintaining our market share in our target countries where the competition will be stiffer."

But he makes it quite clear that the Finnish construction industry intends to remain export-oriented. "Our contractors have found their way abroad in the past decade or so

and now they intend to stay there. This is no short-term success story." Indeed, the Finland Steamship Company has opened four cargo lines to the Middle East.

The first export market for the Finnish construction industry was the Soviet Union. It was also the most natural one, for most of the major projects under construction in that country are in places just across Finland's eastern frontier, which means that Finnish manpower as well as supplies can be used.

At the end of 1978, 44 per cent of the country's construction exports were projects near the Finnish-Soviet border. The proportion in the Middle East taken as a whole was 43 per cent. Within this area the leading market was Iraq (value \$428m), followed by Saudi Arabia (\$205m) and Iran (\$185m). The leading countries in Africa are Libya (\$50m) and Nigeria (\$50m).

Recent events in Iran point up the risks of this trade in regions such as the Middle East. Finn-Iran Contractors, a consortium of four of the biggest Finnish construction companies, was working there on a contract valued at about \$170m for the erection of 63 15-storey residential buildings, including some of the building material.

The contract was about one-third completed when the turmoil started, but only about \$4m in invoices for work done was outstanding. The consortium, like most of the



Contracting Exports, Value of Projects Under Construction (End 1978) (Million Finnish Marks)

Finnish companies then working in Iran, is fairly confident that it will be invited to return and finish the job.

The Finnish Export Guarantee Board provides a maximum of 90 per cent cover for political and 80 per cent for commercial risks. Now Finnish private insurance companies are taking an interest in this field.

The Pohja Group offers a comprehensive range of insurance cover and lately Ursa, the reinsurance subsidiary of Industrial Insurance, has established an insurance company in Dubai in co-operation with other Scandinavian insurance companies. At least one British company, Furness-Holder (Commercial Services) has been exploring the market in Finland.

Financing is not a problem in the rich oil-producing countries. For other areas, Finnish Export Credit added construction projects to its range of services for the first time last year, financing contracts amounting to \$38m.

Other solutions have been found, such as the hotel project in Leningrad, where the building work will be done by Finland and the financing provided by an American company. The AGCF says that provided the financing is based on normal European terms, Finnish companies can manage. But if Finland has to provide a high proportion of the finance on its own, the problem can be insuperable.

One difficulty that still exists and will take a few years to overcome fully is a shortage of trained staff, particularly engineers, project managers, lawyers and transport

specialists. The AGCF started to arrange 5 courses aided by public for export promotion. There have been one six-week course project managers, a four-course for site managers, two intensive courses in construction English.

About 5,000 Finns are working abroad on construction projects, about half of them with academic qualifications. Considerably more will be needed in the next few years.

The trend now is away from purely construction contracts towards more complex arrangements, sometimes involving third countries, sometimes in other branches of the construction industry.

In Abu Dhabi the Finn-arm YTT built a mill and for which a French company supplied the machinery. A Finnish contractor will build a dairy in Libya for which Finnish dairy company will provide the equipment know-how.

Two Finnish companies, Y and Partek, in co-operation with Saudi Arabian partners, are building a concrete composite factory in Saudi Arabia. The AGCF says that the factory will have an annual production capacity sufficient for 1.7 homes. The Finnish company will be responsible for plants and development for 5-10 years.

These are a few examples of Finnish exports to have more than 60 foreign construction projects in progress in 1978 valued at at least \$1.8bn. As things stand the outlook for the 1980s is bright.

L.K.

# CHANCES ARE WE DELIVERED YOUR PAPER

And it came from Finland.

Not surprising when you realise that Lamco Paper Sales Limited supply a third of Britain's paper imports. For example a quarter of the newsprint for the National and Provincial Press.

This staggering amount, nearly 3/4 million tonnes in all, is handled, warehoused and distributed throughout the UK by our sister company, Finnish Paper & Board Services Limited.

And as many of the country's famous names would confirm, we make a most effective and efficient team.

Together we are supplying British Companies with an extensive range of papers—newsprint, coated and uncoated magazine, book and commercial papers, kraft, greaseproof and sulphite, not to mention a great many speciality papers.

After all, we represent 26 mills, the members of the Finnish Paper Mills Association—Finnpap.



WE'RE BIG ENOUGH TO TAKE ANY ORDER—LARGE OR SMALL.



Lamco Paper Sales Limited, Finland House, 56 Haymarket, London SW1Y 4RS. Telephone: 01-839 4360.

J.P. Joutsen

**The Finnish Market . . .**  
... allows little room for products which fail to combine favourably the elements of quality and price.  
To succeed in this small, difficult but potentially lucrative market, contact a knowledgeable agent who visits Finland monthly.  
Agency finding—market service—credit reports—research—advice  
Liaison agent: T. Alastair Findlay  
Horwood Place, Macclesfield, Cheshire, Tel. (0236) 56374  
or send for our brochure "Trade with Finland"

FINLAND IX

# Improvement in the engineering sector

THE METALS and engineering industries in Finland have played a crucial role in the past generation in moving the country away from almost total dependence on the forest-based industries. In the course of the past 40 years they have increased their share of exports from less than 5 per cent to about 35 per cent, while the forest industries share has fallen from 75 per cent to just over 40 per cent. As an employer the engineering sector now accounts for 35 per cent of manufacturing employment compared with only 19 per cent in the forest-based industries.



The Rauma-Repola Oy Pori Works, probably the biggest engineering works in Finland

But the past three or four years have been difficult times for engineering and the industry is still waiting for clear signs that the recession, which every one believes is past, is really over.

Between 1975 and 1978 the industrial output index rose from 123 to 130, with a rise of three points in 1978. The engineering industry index has fallen from 150 to 145 over the same period, with a six point decline in 1978. Investment in engineering fell by no less than 46 per cent in 1977 and by a further 4 per cent in 1978, according to the Bank of Finland's recent investment survey.

## Cyclical

The problems are partly cyclical of course. The recovery in engineering always comes late in the recovery cycle, while the Finnish-Soviet trade agreements also have a cyclical pattern, with orders hunching in the first years of the five-year agreements, in this case leaving order books thin in 1979 and 1980.

The Confederation of Industries first quarter expectations survey indicated that output again fell in the first quarter, but also that some increase in output and exports is expected in the current half year. Capacity utilisation remains low, however, and order stocks were judged to be "below normal" for the sixteenth successive quarter.

Nevertheless, there is a feeling in industry that the worst is over and managements seem fairly optimistic, especially about exports. The overall improvement in the Finnish economy, with inflation under control following a substantial effective depreciation of the Finnish markka in 1977, has left in-

dustrial leaders feeling that they are fully price-competitive. The Finnish engineering industry is characterised by relatively large companies (for such a small country), with the emphasis on heavy engineering products such as shipbuilding and machinery for the forest industries and metallurgical and mining industries. In the 1978 export figures the transport sector was largest with exports worth FM 3.9bn, with ships FM 3.2bn, machinery FM 3.1bn, electrotechnical products FM 955m, cables FM 280m, and instruments FM 221m. In the five years since 1973 the biggest growth has come in machinery exports, which rose 273 per cent, followed by transport equipment, 250 per cent, instruments 245 per cent, cables 191 per cent and electrotechnical products 123 per cent.

The Comecon share of Finnish exports has risen from 12-13 per cent in 1973 to about 17-18 per cent today and this is reflected in engineering and metal exports as well. The Eastern bloc countries accounted for 34.2 per cent of exports in 1978 at FM 4.16bn compared with 20.8 per cent in 1973. Efta's share was similarly down from 35.8 per cent to 26.6 per cent at FM 3.24bn and the EEC's share from 28.7 per cent to 20 per cent at FM 2.42bn.

Ships and paper machines are probably the best-known products of the Finnish engineering industry but the full product spectrum is wide. Among major successes is Kone Corporation's lifts and materials handling equipment. Kone has production facilities in 12 countries and joint ventures in four more. Group sales last year ex-

ceeded FM 1.4bn. Salora television sets are a well-known product of the electronics industry, which has otherwise concentrated on industrial process control equipment. New developments this year include the start of TV-tube production by Valco, in which Hitachi and Salora are minority partners with the State. Valmet, the big State-controlled company, has started assembly of a range of Chrysler Simca models, which are an addition to the Saab cars it already assembles. Valmet and Volvo are discussing the development and production of a new agricultural tractor to replace the ageing models the two companies at present produce.

## Optimistic

Somewhat surprisingly in view of the Harrisburg accident, one of the more optimistic people in the Finnish engineering industry is Mr. Daniel Jaafs, managing director of Finnatom, an organisation set up 10 years ago to co-ordinate the marketing and research and development activities of the eight companies which have made major deliveries to the four nuclear reactors either in operation or under construction in Finland—two Soviet-built reactors of 440-MW at Lovisa and two Swedish-built reactors, all of the boiling-water type.

Finnish industry delivered about a third of the equipment which went to the first Lovisa reactor, and up to 50 per cent of civil engineering works are included. The equipment includes the circulating pumps and motors, computers, in-core instrumentation, ice-condensers for the cooling system and the

steel containment shell. Lovisa 1 is proving to be extremely reliable, statistically speaking one of the best reactors in the world, said Mr. Jaafs, and the Finnish industry's experience with deliveries to the Lovisa and Swedish reactors is now paying dividends. Orders are in the pipeline for deliveries to Soviet-built reactors in Eastern Europe and Third countries and Finnatom also expects to obtain substantial orders for equipment for the Swedish reactor which Turkey is expected to order shortly.

While in Western countries the Harrisburg accident has slowed down nuclear programmes, it has had no effect in the Eastern bloc, according to Mr. Jaafs, who pointed out that Hungary has just decided to speed up its four-reactor nuclear programme. This is the reason for Mr. Jaafs' optimism. In Finland, too, the Harrisburg accident appears to have made less impact on public opinion than in many other countries, an important point as a final decision to build a Lovisa 3 reactor, a 1,000MW plant, should be taken next year.

Lovisa 3 will only begin to fill order books for Finnish hardware in 1981-82, but Finnatom is meanwhile discussing deliveries to a Lovisa-type reactor in Hungary and is co-operating with the Soviet in projects for reactors in third countries. So far the only one of these projects to be publicised is a reactor for Libya, but Mr. Jaafs said that several other third-country projects are under negotiation and the Libya order may not be the first one to be placed. He believed that at least one third-country reactor order would be signed this year.

# Steady recovery in the metal industries

AFTER SEVERAL years in which most metals companies have either made losses or kept the bottom line figure in the black by paring depreciation costs to the bone, the Finnish basic metal industry companies are now reasonably confident that better times are ahead.

After only being able to think of investments for the past few years in terms of tens of millions of marks, we are now beginning to think in hundreds of millions again," commented divisional sales manager Matti Turunen of Ovaco steel group.

In 1977 and 1978, iron and steel output increased, partly as a result of the installation of new capacity. A new blast furnace at the State-controlled Rautaruukki Steelworks at Rauma, accompanied by expansion of continuous casting capacity and a new hot-rolling steel plate mill, doubled the company's steel production capacity in 1977 to 1.7m tonnes.

Total iron and steel output in 1978 increased by about 6.6 per cent to 7m tonnes. Total non-ferrous metals output on the other hand showed little increase, with the output of processed products totalling about 321,000 tonnes.

A substantial part of the iron and steel production is used by domestic industry, although about 55 per cent of the rolled steel output last year of 1.8m tonnes went for export.

The bulk of the non-ferrous metal production, on the other hand, is exported, with copper exports in 1978 at 47,100 tonnes, and zinc 113,890 tonnes. By value, metal exports accounted for 7.5 per cent of total Finnish commodity exports last year. Iron and steel exports rose by 51 per cent to FM 1.64bn, but the value of copper exports was down 10 per cent to FM 923m and of other metals 8 per cent to FM 615m, reflecting both lower volume and poor prices.

Besides steel, copper and zinc, Finland also produces three metals with some strategic importance (although in small quantities)—923 tonnes of cobalt, 5,000 tonnes of vanadium oxide and 45,000 tonnes of

ferro-chrome (in 1978).

While Rautaruukki turned a 1977 loss into a modest profit in 1978, the private steel industry, which makes more refined products and special steels, was still loss-making last year. This forced the industry to undertake a major structural reform, which was worked out this spring and came into effect from May 1.

Ovaco Oy, the largest of the private steel manufacturers, which produces a wide range of bars, rods and wires, took over the steel production and manufacturing facilities of the two other main private steelmakers, Oy Fiskars Ab and the steel division of Oy Wirtsilä Ab.

Fiskars brings to the group the production of wire net, nails, screws, bolts and chains, and the Wirtsilä Dalsbruk steel works contributes rolled bars, reinforcing steels, drawn wires, nails and castings. The three companies in 1978 had a joint turnover of about FM 1bn and 5,000 employees.

Although Ovaco's output last year changed little with 422,000 tonnes of raw iron, 646,000 tonnes of crude steel and 372,000 tonnes of rolled steel products, external sales rose from FM 629m to FM 718m, which was considerably more than budgeted.

## Exports

Exports accounted for 52 per cent of sales. But the company made a loss of FM 1.5m after a loss of FM 21.7m in 1977 and in both years depreciation costs were insufficient to cover replacement costs. Equity capital at the end of last year was only 7.5 per cent of total assets of FM 687m.

The merger, however, has made the company's management more optimistic.

The merger will clear up the private sector, remove the inefficiencies, and make exporting easier and more profitable," said marketing director Nils L. Gripenberg. "The merger will also improve our financial position and we should be able to make larger investments."

Among Ovaco's specialities are beam steels of high harden-

ability. Markets which it expects to develop in the next few years include the auto components industry and fasteners. In both these areas it already makes deliveries to most European countries.

In the non-ferrous metals sector, the Finnish industry is dominated by the State-controlled Outokumpu Oy (this company also has iron ore mines and a modern stainless steel-works, which last year produced 140,000 tonnes of chrome pellets, 44,800 tonnes of ferro-chrome, 56,700 tonnes of steel slabs and 44,300 tonnes of rolled products).

The main products of the mining and metallurgical division includes copper concentrates and anode copper, zinc, cobalt, pyrites, talc and sulphur, originating from the company's ten mines. Although sales for many of the company's products remained unsatisfactory last year, there was a 27 per cent increase in sales to engineering works at Outokumpu in eastern Finland, to provide jobs when the local mines are exhausted. The works are now under construction and will manufacture mining industry equipment.

Among the new products under development is company-designed equipment for drawing copper for the production of semi-manufactures, which the company hopes will be an important new sales item. In conclusion, the iron, steel and metals industry companies expect that the recovery in their fortunes, which began last year, will continue in 1979—but all companies in one way or another made major investments in the early '70s, which increased capacity just as the market collapsed. This has left the country with a modern industry and some of the most efficient plants in Europe, but it has also left the companies financially weakened.

An improvement in the financial position is therefore going to take priority over big new investment projects for the next year or two. "In the next five to ten years a lot of new investment and re-investment will be needed around the world," said Mr. Hakkarainen. "The technical export division, which has already almost doubled its sales last year to FM 299m. "The next five to ten years a lot of new investment and re-investment will be needed around the world," said Mr. Hakkarainen. "The technical export division, which has already almost doubled its sales last year to FM 299m. "The next five to ten years a lot of new investment and re-investment will be needed around the world," said Mr. Hakkarainen. "The technical export division, which has already almost doubled its sales last year to FM 299m."

May that it has won a turn-key project for a copper mine and concentration plant in the Philippines (together with Rauma Repola and Kone engineering companies). The project will involve Finnish deliveries of equipment and know-how worth about FM 300m.

Mr. Hakkarainen said that the company hoped to be able to announce contracts for further similar projects in the near future. Outokumpu has recently made deliveries to the Norilsk copper combine in Siberia and to a copper smelter in South Korea. As the original inventor of the flash smelting technique for copper, the company has sold 27 smelters abroad.

## Depletion

With mines and domestic raw materials approaching depletion over the next 10 years or so, it was decided to build a new engineering works at Outokumpu in eastern Finland, to provide jobs when the local mines are exhausted. The works are now under construction and will manufacture mining industry equipment.

Among the new products under development is company-designed equipment for drawing copper for the production of semi-manufactures, which the company hopes will be an important new sales item. In conclusion, the iron, steel and metals industry companies expect that the recovery in their fortunes, which began last year, will continue in 1979—but all companies in one way or another made major investments in the early '70s, which increased capacity just as the market collapsed. This has left the country with a modern industry and some of the most efficient plants in Europe, but it has also left the companies financially weakened.

An improvement in the financial position is therefore going to take priority over big new investment projects for the next year or two. "In the next five to ten years a lot of new investment and re-investment will be needed around the world," said Mr. Hakkarainen. "The technical export division, which has already almost doubled its sales last year to FM 299m."



OUTOKUMPU is one of the largest industrial undertakings in Finland. In 1978, the Company achieved total sales of £222 million, nearly 80% of which stemmed from exports. Outokumpu's share of the Finnish metal industry's total export sales was 11%. The Company is one of Europe's leading producers of non-ferrous metals, and the United Kingdom has traditionally been one of the most important export markets.

In the field of non-ferrous metals, Outokumpu Oy mines at numerous locations and processes the ores into copper, zinc, nickel, cobalt, chrome, etc. In addition to these metals, semi-finished copper products and stainless steel are exported to the United Kingdom.

Thanks to its vigorous research and development programmes, Outokumpu has developed many advanced metallurgical processes in addition to automatic equipment and sophisticated analyzers, principally for the mining industry. Exports of know-how have grown rapidly and diversified, especially during the last decade. Our subsidiary Reynolds European (London) Limited is responsible for the marketing and distribution of all Outokumpu products in the UK.

Reynolds European (London) Limited,  
10 Grosvenor Gardens, London, SW1W 0DF  
Telephone: 01-730 7295 Telex: 912500



Outokumpu Oy, P.O.B. 280,  
SF-00101 Helsinki 10,  
Telephone: 1031 Telex: 12441

# SAMPO

Leader in Finnish Insurance  
with Large International Experience

The main body within the Sampo Insurance Companies is the non-life insurance company Sampo. Two of its subsidiaries, Tarmo and Kaleva, write life assurance, and pension insurance is written by two other companies in which Sampo is a shareholder.

## A Reliable Reinsurer

Sampo writes an important book of international insurance business. Furthermore, Sampo owns or is a shareholder in several domestic and foreign insurance and reinsurance companies.

## An Efficient Organization Covering the Whole Country

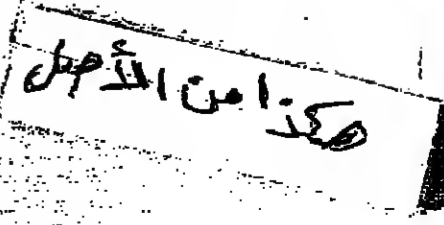
Sampo has an efficient network of nearly 70 branch offices which, due to an advanced computer system, provide prompt service especially in handling claims.

Sampo offers a complete insurance service, whether you are a private person or a large national or multinational corporation.

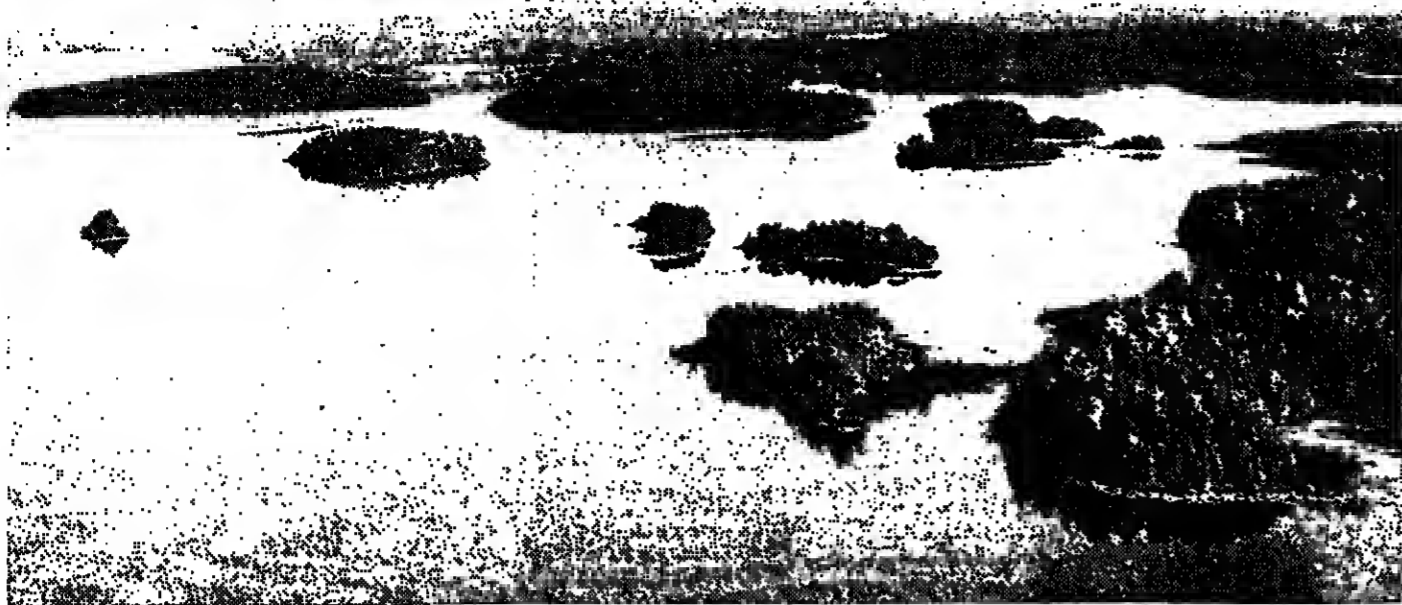
# SAMPO

MUTUAL INSURANCE COMPANY

Head Office: Yliopistonkatu 27, Turku, Finland  
Postal Address: Box 216, SF-20101 Turku 10, Finland  
Telephone: 921-663 311  
Telex: 62242 sampo sf



FINLAND X



The extraordinary attraction of Finnish lakeland, which forms the largest unbroken geographical region of the country



A girl of Lapland transporting a bottle of liquid gas with the help of a reindeer sleigh

# Attracting the big spenders

I RECEIVED my initiation as a tourist in Finland some years ago driving round Lapland with a couple of Finnish consumer goods salesmen who tried to persuade me that the best use for the washing machines they were selling was for brewing beer.

The deep freezers they were also selling were, they said, an essential accessory for extracting harder liquor from the brew. With a pitch like that it was no surprise that they were

the company's star salesmen. The visit introduced me to one of the most extraordinary areas in Europe. Lapland is a wilderness. It is one of the very few remaining areas in Europe where it is possible to live by gun and hook for months at a time with no contact with civilisation. Some do, such as Europe's last remaining gold panners, and they tend to be bizarre characters whose tall stories would make a Texan blush.

However, for most of the three million-plus visitors to Finland (as there is a passport union between the Nordic countries their exact numbers and countries of origin are not known) the eminently civilised Finnish capital, Helsinki, is the focal point.

Helsinki and its immediate hinterland have about 5,300 hotel rooms to offer, a fifth of the country's total hotel accommodation. In the early summer months, when tourists have

started to arrive but the flow of businessmen has not dried up, accommodation can be a problem, but by next summer there will be another 700 rooms in use, including those of the new President Hotel in central Helsinki.

In recent years Helsinki seems to have succeeded in attracting a growing share of the travel trade, partly by the opening in 1977 of a new fast ferry service to West Germany and partly through its development as a congress centre. The growing travel trade with Germany may well have played a decisive part in tipping the travel balance from a small deficit of about FM 3m in 1977 to a surplus of FM 173m in 1978, which is expected to rise to between FM 200m and FM 300m this year.

The largest group visiting Finland are, naturally enough, the Swedes, who can use either the air services or the popular ferry trips between Stockholm and Turku (at Finland's western tip) and Helsinki. In 1977 Swedish visitors spent about 452,000 nights in Finnish hotels, accounting for almost 30 per cent of total foreign hotel visits. Next came Germans with 249,000 nights; Russians 143,000; Americans 108,000 and Norwegians and Britons about 75,000 each.

German visitors are regarded as a primary target for tourist development because they come not only in large numbers, but they are big spenders. "We get a lot of Russians, but they don't bring any money with them," sighed one tourist official.

The introduction in 1977 of the Finnish-built passenger-car ferry Finnjet, operated between Helsinki and Travemünde, was a major innovation in the development of tourism with West Germany and to some extent also for tourists from other central European countries. Finnjet, with a speed of 30.5 knots, is the fastest ferry of its kind in the world. It has cut the time on the route to 22 hours, so that travellers need spend only one night on board.

### Increased

The ferry can carry 1,532 passengers and 350 cars. After its introduction the number of passengers using the route increased enormously, from 75,000 in 1976 to 200,000 in 1978, which is expected to rise to 235,000 in 1979. There was a 22 per cent increase in West Germans using Finnish hotels in the first nine months of 1978 and Finnjet is credited with an important part in creating the increase. In the three summer months (in Finland that means June to August) about

70,000 Germans used Finnjet last year, 90 per cent of them tourists. This year about 100,000 will be using Finnjet in the same months. The operators, Finnlines, have been careful to make the return trip extremely competitive with the alternative of driving from the continent up through Sweden.

As a congress centre Helsinki claims to rank eighth in Europe by number of international conferences, well ahead of some larger and more centrally-placed cities. Last year about 17,600 participants attended 56 conferences, a figure which has not fluctuated very much since 1975.

The date is significant. It was then that the magnificent Finlandia Hall, designed by the well-known Finnish architect Alvar Aalto, was completed. It is a combined concert hall and congress centre, able to cater for 3,000 delegates in two congress auditoria, and it also offers facilities for smaller meetings. The Finlandia Hall is supplemented by the Dipoli Congress Centre, just south of Helsinki, which can accommodate 2,000 delegates.

One of Finland's problems as a tourist country is that it is a longish-way off the beaten track, even if it is only little

over an hour by air from Hamburg and Copenhagen. "People don't come to Finland without having a real reason," as Mr. Bengt Pihlström, managing director of the Finnish Tourist Board, put it.

But today the extra cost of travelling to Finland is to some extent cancelled out by the cheapness of the country in relation to other north-west European countries. Prices, according to an index made up of accommodation, meals, transport and retail goods, are 20 to 30 per cent lower than in the other Nordic countries and West Germany and only slightly higher than in Britain, according to a Tourist Board price comparison made earlier this year.

### Cheap

Its findings are broadly confirmed by the FT annual survey of business travel costs. An interesting point is that once in Finland both air and rail transport are very cheap measured per kilometre (but the distances are great).

Finnair, the national airline, has played an important role in developing Finnish tourism. The number of passengers carried on international scheduled flights has risen steadily year by

year from 488,000 in fiscal year ending March 31, 1971, to 788,000 in the year ending March 31, 1979. There was a 9.1 per cent increase last year, including a 41 per cent increase in North Atlantic traffic.

The airline currently has a fleet of 34 aircraft, including two DC10s, 15 DC9s, and eight Super Caravelles. It flies to 32 destinations including, outside Europe, Montreal, New York and Bangkok.

Finland is currently engaged in air service negotiations with the U.S. Finland's objective is a destination on the U.S. west coast, but the talks have stalled for the time being over Washington's fare policy proposals.

Other services which Finnair is anxious to obtain include routes to Tokyo and Middle East destinations. It is also trying to persuade British Airways to agree to the introduction of a third daily flight between London and Helsinki.

While there is strong pressure on the Helsinki hotels in the high season, there was a danger at one time that hotel accommodation outside Helsinki would outrun demand after a big building boom in the late 1960s and early 1970s. In 1976, Government allocations for tourist infrastructure develop-

ments were actually put back. But as a result of earlier building boom the facilities are generally good if that is the kind of accommodation you want.

Many people visit Finland for the lakes, the forests, the loneliness, of course, there are huts and cottages which will grant the tourist in full measure - of the way-by-gravity, no-lavatory saunas with a sauna only if you want your own logs.

Equally, however, there are cottages with all amenities. "One of our problems," Mr. Pihlström, "is making the visitor feel the full accommodation he or she expects."

For those who want to Lapland, Finnair has recently introduced an inclusive package which gives a week in Lapland with hotel for less than the price of the normal fare from Helsinki.

Initially it is being done on a domestic basis, but a substantial marketing effort in Europe is planned. Rel safaris, cross-country ski, midnight sun, and the gold panning champion (anyone can enter) are the attractions.

**FINLANDIA HALL**

FINLANDIA HALL in the heart of Helsinki offers top-quality conference facilities for up to 3,500 persons in a truly spectacular building.

The Hall comprises three main auditoria seating 1,700, 900 and 350 persons, 20 different-sized meeting rooms from 10 to 100 persons, large foyer areas for exhibitions, a restaurant for 450 persons and catering units, press centre, information centre and other service units.

Six-language simultaneous interpretation system and other technical equipment to meet with the most demanding international requirements.

For further information:

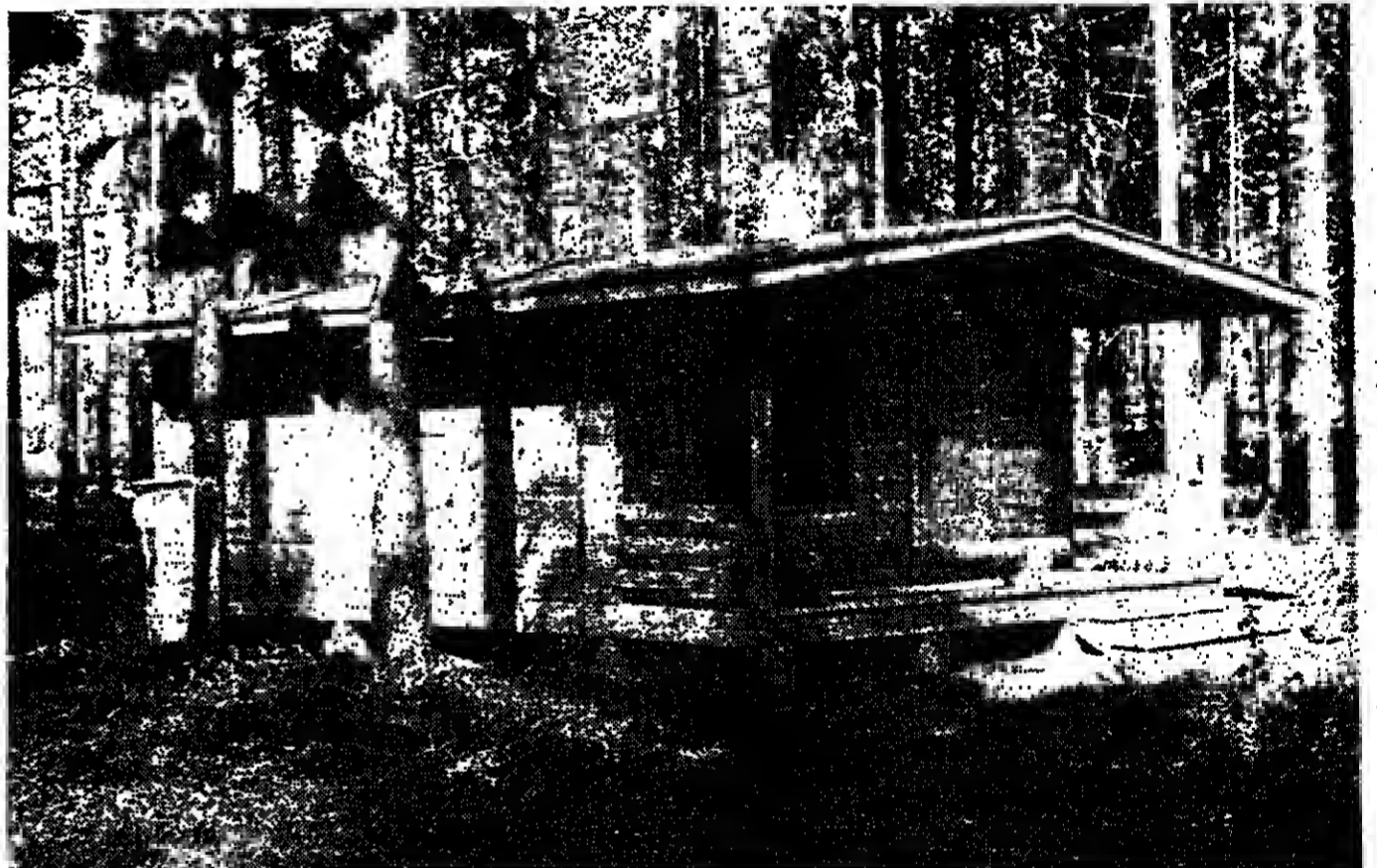
FINLANDIA HALL Karamzininkatu 4 00100 HELSINKI 10 Finland	tel: (90)-40241 cables: finlandiahall telex: 123424 fhall sf
--	--

**Teollistamisrahasto Oy - Industrialization Fund of Finland Ltd.**

**25 YEARS OF INDUSTRIAL INVESTMENTS**

The Industrialization Fund of Finland Ltd. (IFF) is a development finance corporation established in 1954. The essential purpose of the IFF is to promote Finnish tourism and industrial enterprises through mobilizing resources for their use.

Lönnroffinkatu 13 00120 HELSINKI 12  
Postal Address: P.O. Box 302 SF-00121 HELSINKI 12 Finland  
Telephone 644 706 Telex 122342 triff sf Cables TERASTO



Many Finns spend the summer in simple forest cottages like this one, with a sauna and a nearby lake as the main amenities. Now, foreign tourists are being encouraged to do the same

# SCHAUMAN

## FINNISH PLYWOOD EXPERT, ALSO SPECIALIZES IN TIMBER, PULP, PAPER, METAL AND YACHTS

You probably know Schauman best for its processed plywoods.

They are to be found in thousands of containers and lorry bodies around Europe.

Schauman has also supplied processed plywoods for concrete forms in hundreds of building projects.

But Schauman is not only a plywood specialist. It is one of the biggest wood industry companies in Finland.

It manufactures sulphate pulp for export.

It has its own paper mill, which specializes in kraft paper, and a paper converting mill making sacks and heavy-duty wrapping papers.

Apart from plywoods, Schauman's wood products divisions make chipboards and hard-board, basic and processed. They also produce sawn timber and doors.

The Nautor Yacht Division builds the world-famous Swan ocean-going racers.

A Finnish subsidiary, Ja-Ro, manufactures stainless steel pipes and fittings.

Craf Sac S.A., our French subsidiary, produces paper sacks.

Schauman has sales offices in London, Stockholm, Frankfurt and Rouen. They can be contacted at any time.

London address:  
Schauman (UK) Ltd.,  
76-80 College Road,  
Harrow, Middx. HA1 1JN,  
England  
Tel. (01) 863 5588,  
Telex 923367 suikdn.

Helsinki address:  
Oy Wih. Schauman Ab,  
Yrjönkatu 13,  
SF-00120 Helsinki 13,  
Finland  
Tel. international +3580 646018,  
Telex 12-1342.

*Johannes*

Nigeria is preparing for elections: By MARTIN DICKSON

# Crossroads to democracy

ANY open, easy space in part of Lagos, surrounded by shacks, a troupe of acrobats and drummers and a band of dancers were dancing through the 2,000 people who have turned out to rally to the Nigerian's Party—most to cheer, some to jeer, and many simply in wonder at the sight of the political in action.

In 13 years of military black Africa's most powerful and most powerful nation under a four-year process adopted in 1975 by the state in that year over Gen. Gowon, the then of State.

programme is nearing a end. The country has a new, the Presidential committee, following a year of deliberation on party politics, in force 1966, was lifted last over. The country will series of elections lead to the installation of a government headed by an President, on r 1.

a moment of truth for us. Have these diverse, numbering 80m to 100m, a constitutional framework to contain their complicated mix of rivalries, based on religious, cultural, tribal, regional and social divisions, a sufficient consensus to avoid divisions which encourage another of soldiers to seize answers will have reper far beyond Nigeria's. Nigeria is black a most influential state change of government, as, embarking a fresh job, abolished, politics, could a tilt in the continent's

stance towards international issues, including Rhodesia.

A successful transition to civilian rule could hold constitutional lessons for other African countries where single-party systems, military regimes or one-man dictatorships hold sway, each acting whether by accident or design as a centralising force in the artificial states carved out by the colonial powers of the past.

### Nation state

For Nigeria is attempting an individual and ambitious solution to one of the gravest political problems plaguing Africa—how to transform political loyalties from those based on the clan, tribe or region into those based on the nation state.

The attempt has a particular poignancy for Nigeria which, between 1967 and 1970, fought a bitter civil war against the secessionists of Biafra to preserve the principle of One Nigeria.

For the West, the transition to civilian rule has economic importance. Nigeria is Britain's most important export market outside Europe and the U.S. and it is also America's second largest foreign supplier of oil. A stable Nigeria, neutral if not actively pro-western, is therefore of considerable importance for the West.

It was political instability which led to the downfall of Nigeria's first civilian administration, in January 1966, when the military intervened following widespread corruption and violence in both the 1964 federal elections and the 1965 elections in the former Western Region. Many lessons have been learned from the past and the political framework has been radically altered in an attempt to find stability. The sub-division of Nigeria's into three regions—North, West and East—into 19 states

is an essential element of this framework.

This division is designed primarily to counter the centrifugal tendencies of having a regional system based on three dominant groups: the Ibo in the east, the Yorubas in the west, and the Hausa-Fulani in the north. The creation of 19 states has relocated the centres of political activity in much smaller units and has given a stronger voice to minority tribes which comprise over 30 per cent of the population.

The constitution is designed to produce a careful balance of power between the Federal Government and the states and between the executive president, a bicameral legislature, and an independent judiciary. It is intended to encourage national rather than ethnically-based politics. To win the presidency on the first ballot a candidate must not only gain the highest number of votes cast, but also need support in a broad geographical spread—a quarter of the votes in at least two thirds of the states.

All this could be undermined by a re-emergence of political violence, but so far, with scattered exceptions, people have been on their best behaviour.

At the NPP rally in Lagos, for example, there is a pleasant, relaxed atmosphere, reminiscent of a friendly football match (right down to T-shirts, badges and jaunty caps in the party colours). A cheer-leader leads chants of "victory" and "power to the people." But a sizeable contingent of policemen, who at one point use their sticks to control the crowd, shows the Government's fear of violence.

Concern for security may partially explain the Government's refusal for many months to announce a date—or an order—for the five elections. It finally decided that they would be staged from July 7 to August 11, starting with the polling for the

federal Senate and House of Representatives, going on to contests for state legislatures, and ending with the presidential election.

But no sooner was that issue settled than a major dispute arose which is currently casting a long shadow over the election campaign. In a complicated argument about candidates' compliance with tax laws, the Federal Electoral Commission—which is responsible for running the poll—has set out the possibility that it might disqualify two of the five runners for the presidency.

They are Dr. Nnamdi Azikiwe, the leader of the NPP, a veteran Ibo politician; and Alhaji Aminu Kano, leader of the People's Redemption Party. Dr. Azikiwe has gained High Court backing for his claim to have paid tax in accordance with the laws of his home state, but it is still far from clear that he will be able to stand.

The disqualification of either politician would undoubtedly sour the atmosphere and could lead to the very political tension which the Government is so keen to avoid.

Dr. Azikiwe's decision to stand for the Presidency in the first place was something of a surprise. Aged 75, one of the founders of Nigerian nationalism and the country's first President, he had been expected to sit on the sidelines as an elder statesman.

Chief Othman Awolowo, the veteran Yoruba politician who has spent years planning a comeback and now leads the Unity Party of Nigeria (UPN), is only five years younger than Dr. Azikiwe.

There are three presidential candidates from the North: Alhaji Waziri Ibrahim, a self-made millionaire and former federal Minister of Economic Development who leads the Great Nigeria People's Party (GNPP); Alhaji Aminu Kano,

who speaks a populist Left-wing rhetoric although the stated goals of his People's Redemption Party differ little from those of its rivals; and Alhaji Shehu Shagari, a former federal Minister of Finance who leads the National Party of Nigeria (NPN).

At 54, Mr. Shagari is the youngest presidential candidate. He lacks some of the charisma of the other leaders and seems to have been thrust reluctantly into the race as a counterweight to the heavyweights in his party. But he comes across as a clever, thoughtful, pragmatist.

There is a striking similarity between the manifestos of the parties, none of which plans any radical break from the mixed economy goals pursued by the military Government. Rather, their emphasis is on achieving those goals more quickly or on improving the efficiency of what exists, such as the much pilloried Electric Power Authority and Nigeria Airways.

### Establishment

Personality factors rather than policies have dominated the campaign, particularly in the case of Azikiwe and Chief Awolowo who have dragged several political skeletons from each other's cupboards.

On polling day, the personalities of the candidates will count for much, but it will be only one of many issues determining voting patterns, including rivalries between and within ethnic groups, competition between economic and social interest groups or the plain opportunism of jumping on to the bandwagon of any party deemed likely to emerge on top.

On the face of it, Shehu Shagari's NPN appears to have the edge over its rivals. It seems to have the strongest base in the populous North, where it has inherited something of the mantle of the most powerful



A supporter of the National Party of Nigeria has stuck to his fan a poster of his choice for state governor.

party of the 1960s, the Northern People's Congress. But it is also well established in parts of the East and West. Its executive is packed with well known political names from the 1960s (not a few of them tarnished) and it is seen to some extent as the establishment party.

Chief Awolowo has strong support in parts of the West, but may find it hard picking up a large following elsewhere, while Dr. Azikiwe's strongest following appears to lie in the East and parts of the northern Middle Belt.

The other two parties, the GNPP and the PRP, could win several contests at state level but do not, by themselves, seem to present much of a challenge for control of the federal Government.

But while the NPN may at this stage have an edge, no party can be confident of winning the presidency on the first ballot. If there has to be a run-off, the legislature will act as an electoral college.

The existing uncertainty suggests that the reforms designed to make politics more national in character are paying dividends: in virtually every state, tough battles are being fought out for the Governorship between two or three

parties, with the electorate apparently divided in its loyalties.

It is, however, possible that this degree of competition for elections to state offices will not be repeated at the federal level, where there could be a revival of the 1960s-style block regional voting, with people transferring their allegiances from the party they support at state level to the one fielding a local presidential candidate.

While the current political fluidity seems more healthy than the politics of the 1960s, it does contain dangers. It is, for example, far from certain that the party which wins the presidency will also gain a working majority in the legislature. If different parties (or alliances) hold sway in these two branches of Government, it will require great self-restraint for the politicians to make their new and highly sophisticated constitution work—and they are largely the same politicians who saw the First Republic collapse in 1966.

There is, however, one major difference: the politicians have now lived through a military regime. They know well that if they fail, another army coup is possible. Some critics argue that is inevitable, with majors

and colonels simply biding their time, waiting for the civilians to fail.

But this is by no means inevitable. Economically, the politicians will be coming to power at a good time, when Nigeria is gradually recovering from a sharp recession. Oil earnings are rising, and this should begin to show through to the man in the street by the end of the year, allowing the civilians to claim some of the credit.

However, it is important for the civilians to adopt a gradualist approach to expanding the economy again. The recession has, in some respects, been a blessing in disguise, allowing the Government to cool down a seriously overheated economy and to go for more moderate but more balanced growth in the 1980s.

Politically, restraint will be imperative. Nigeria is relatively quiet now, but tempers might fray nearer polling day or afterwards from poor losers.

At the NPP rally the speaker is finishing when from the rear of the crowd comes a cry of "UPN" from an Awolowo follower. A party of policemen set off down a side street in pursuit of the provocative heckler.

## Maintenance and renewal

The Director-General of Civil Engineering Contractors—Malcolm Rutherford's 15) did not deal with the subject of public spending must be recognised by Government, whether line more to Sir Geoffrey basic philosophy or Mr. Quite simply, there drive sector equivalent public expenditure on the basic infrastructure—water and sewerage services can there be.

Federation of Civil Engineering Contractors will the efforts made in the to encourage and reward use and initiative—which ter all, central to the of our industry. To ment these moves, how Government must in its long-term spending knowledge the fact oper maintenance, re- and expansion of the s infrastructure is l for even modest ic growth.

It is for the Govern- through its public invest- policies, to lay the for a steady revival, manufacturing indus- to enable Britain pte effectively with its dustrial rivals.

House, Street, SW1.

## Letters to the Editor

Our flesh, and that of trade union negotiators, is being made except with a prediction, supplied made by the Government itself, that by November the rate of inflation will reach 17.5 per cent.

This merely means that Ministers expect the index to stand at 237.9 in that month. But, assuming that they are correct in their forecast, the pace of the retail price index will then be decelerating.

By June, reflecting continuing price rises and the additional indirect taxes imposed by the Chancellor, the index will reach about 229 (compared with 214.2 in April). But if it then goes to 237.9 in November, this is a further 3.4 per cent, representing an annual rate of change for the period from June to November of no more than 3.2 per cent.

It seems curiously pointless to give the impression that inflation is going to be more than twice as bad as the Government actually expects—particularly as it has already been in double figures since December of last year.

Harvey Cole, 9 Chiffers Road, Winchester.

## Increases in VAT

From Mr. K. Bangerter

Sir—Mr. Cole, (June 15) seems to have stumbled on an ideal way to reduce inflation, but why stop at the 7 per cent used in his example?

For instance, on the basis of his arithmetic, if the Chancellor had increased VAT by 100 per cent then:

1979 base price	100
1980 price	110
Inflation 10 per cent	
1979 price + VAT	200
1980 price	210
Inflation 5 per cent	

But how revealing are Mr. Nelson's results. By assuming that the taxpayer benefits less than most from the tax allow-

## Employee share ownership

From the Chairman, Uni-Export Trading Company.

Sir—I wish that politicians and lawyers would leave business in business men. Lord Shawcross's suggestion (June 14) to the Wider Share Ownership Council that employees should hold the shares in other companies rather than the one in which they work, is completely alien to the aim for which the shares are given. Any company which distributes shares among its employees does so to secure their loyalty and greater interest in the company in which they work, thus avoiding strikes and shabby workmanship.

Each individual employee is entitled to invest his money wherever he wishes, but if the companies followed the advice from Lord Shawcross it would amount to the same result as a false productivity deal.

E. G. Balzert, Uni-Export Trading Company, 14a, New Broadway, W5.

## Making tax cuts

From Mr. Frank Field, MP

Sir—I wrote (June 8) in support of Samuel Brittan's bravely stated case for cutting the tax allowance welfare state. The Government has refused to follow this advice and the dangers inherent in their budgetary strategy of making tax cuts in a traditional manner are admirably set out, again by Samuel Brittan (June 14).

Mr. Nelson has written (June 13) to question the figures I gave. True, in a short letter it was impossible to set out the assumptions on which it had been calculated that the average rate of tax for a person on £15,000 a year is 22 per cent. The assumptions and figures are, however, set forth in the Parliamentary Answer which I used (November 29, 1978, vol. 999, col. 222). And readers will see that the 22 per cent figure stands.

But how revealing are Mr. Nelson's results. By assuming that the taxpayer benefits less than most from the tax allow-

## Employee share ownership

From the Chairman, Uni-Export Trading Company.

Sir—I wish that politicians and lawyers would leave business in business men. Lord Shawcross's suggestion (June 14) to the Wider Share Ownership Council that employees should hold the shares in other companies rather than the one in which they work, is completely alien to the aim for which the shares are given. Any company which distributes shares among its employees does so to secure their loyalty and greater interest in the company in which they work, thus avoiding strikes and shabby workmanship.

Each individual employee is entitled to invest his money wherever he wishes, but if the companies followed the advice from Lord Shawcross it would amount to the same result as a false productivity deal.

E. G. Balzert, Uni-Export Trading Company, 14a, New Broadway, W5.

## Scottish land owners

From the Viscount of Arbutnot.

Sir—Last month I retired after five years as president of the Scottish Landowners' Federation, a term of office that was preceded by two terms each of three years as vice-co-ordinator and convener of the Federation's council. I could therefore have taken the comments of your contributor to Men and Matters (June 11) as a personal reflection on my period of office if I felt there was the slightest fragment of truth in the comment that "Land ownership has had name in Scotland just now." His statement on "scandalous evictions" is totally unsubstantiated and I would be obliged for just one instance of the actions described in the circumstances given "by owners who want their estates exclusively for sport or as holiday recreation."

Scottish landowners have every reason to be proud of their contribution to a progressive Scottish farming and forestry industry and for their pioneer work in the development of a variety of recreational uses on their lands which are increasingly available to a larger number of people. The only "bad name" given to their activities is that by those apparently bickering members of the Press who, as was the case in your recent edition are even prepared to "knock" an occasion deliberately given to them of interviewing a Scottish landowner on his own

## Control yourself Roberts, at £3 a square foot we can afford champagne every week!

You may have come to expect a price rise on one of the main facts of life but a regular Location Audit must show you otherwise.

Once you are aware of all the hidden expenses which a Location Audit can reveal, you may realise that a Location Audit can transform your profit ability. But what a Location Audit can do for you.

Location Audit has published a new booklet to help you plan a Location Audit. You can afford to ignore it. Send off a coupon on phone for your free copy now.

If it comes to a move, or even if you're still not sure, give a call. Location Audit is the most comprehensive and completely impartial source of information and advice on office location throughout the country and there's no charge for our services.

To: The Location of Offices Bureau, 27 Chancery Lane, London WC2A 1NS. Tel: 01-405 2921 Telex: 213333. Please send me a free copy of your new Location Audit guide.

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_

**LOCATION OF OFFICES BUREAU**

Set up to promote a better distribution of office employment. FT 3

## Making tax cuts

From Mr. Frank Field, MP

Sir—I wrote (June 8) in support of Samuel Brittan's bravely stated case for cutting the tax allowance welfare state. The Government has refused to follow this advice and the dangers inherent in their budgetary strategy of making tax cuts in a traditional manner are admirably set out, again by Samuel Brittan (June 14).

Mr. Nelson has written (June 13) to question the figures I gave. True, in a short letter it was impossible to set out the assumptions on which it had been calculated that the average rate of tax for a person on £15,000 a year is 22 per cent. The assumptions and figures are, however, set forth in the Parliamentary Answer which I used (November 29, 1978, vol. 999, col. 222). And readers will see that the 22 per cent figure stands.

But how revealing are Mr. Nelson's results. By assuming that the taxpayer benefits less than most from the tax allow-

## Employee share ownership

From the Chairman, Uni-Export Trading Company.

Sir—I wish that politicians and lawyers would leave business in business men. Lord Shawcross's suggestion (June 14) to the Wider Share Ownership Council that employees should hold the shares in other companies rather than the one in which they work, is completely alien to the aim for which the shares are given. Any company which distributes shares among its employees does so to secure their loyalty and greater interest in the company in which they work, thus avoiding strikes and shabby workmanship.

Each individual employee is entitled to invest his money wherever he wishes, but if the companies followed the advice from Lord Shawcross it would amount to the same result as a false productivity deal.

E. G. Balzert, Uni-Export Trading Company, 14a, New Broadway, W5.

## Scottish land owners

From the Viscount of Arbutnot.

Sir—Last month I retired after five years as president of the Scottish Landowners' Federation, a term of office that was preceded by two terms each of three years as vice-co-ordinator and convener of the Federation's council. I could therefore have taken the comments of your contributor to Men and Matters (June 11) as a personal reflection on my period of office if I felt there was the slightest fragment of truth in the comment that "Land ownership has had name in Scotland just now." His statement on "scandalous evictions" is totally unsubstantiated and I would be obliged for just one instance of the actions described in the circumstances given "by owners who want their estates exclusively for sport or as holiday recreation."

Scottish landowners have every reason to be proud of their contribution to a progressive Scottish farming and forestry industry and for their pioneer work in the development of a variety of recreational uses on their lands which are increasingly available to a larger number of people. The only "bad name" given to their activities is that by those apparently bickering members of the Press who, as was the case in your recent edition are even prepared to "knock" an occasion deliberately given to them of interviewing a Scottish landowner on his own

## Control yourself Roberts, at £3 a square foot we can afford champagne every week!

You may have come to expect a price rise on one of the main facts of life but a regular Location Audit must show you otherwise.

Once you are aware of all the hidden expenses which a Location Audit can reveal, you may realise that a Location Audit can transform your profit ability. But what a Location Audit can do for you.

Location Audit has published a new booklet to help you plan a Location Audit. You can afford to ignore it. Send off a coupon on phone for your free copy now.

If it comes to a move, or even if you're still not sure, give a call. Location Audit is the most comprehensive and completely impartial source of information and advice on office location throughout the country and there's no charge for our services.

To: The Location of Offices Bureau, 27 Chancery Lane, London WC2A 1NS. Tel: 01-405 2921 Telex: 213333. Please send me a free copy of your new Location Audit guide.

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_

**LOCATION OF OFFICES BUREAU**

Set up to promote a better distribution of office employment. FT 3



## Maintenance and renewal

The Director-General of Civil Engineering Contractors—Malcolm Rutherford's 15) did not deal with the subject of public spending must be recognised by Government, whether line more to Sir Geoffrey basic philosophy or Mr. Quite simply, there drive sector equivalent public expenditure on the basic infrastructure—water and sewerage services can there be.

Federation of Civil Engineering Contractors will the efforts made in the to encourage and reward use and initiative—which ter all, central to the of our industry. To ment these moves, how Government must in its long-term spending knowledge the fact oper maintenance, re- and expansion of the s infrastructure is l for even modest ic growth.

It is for the Govern- through its public invest- policies, to lay the for a steady revival, manufacturing indus- to enable Britain pte effectively with its dustrial rivals.

House, Street, SW1.

## Letters to the Editor

Our flesh, and that of trade union negotiators, is being made except with a prediction, supplied made by the Government itself, that by November the rate of inflation will reach 17.5 per cent.

This merely means that Ministers expect the index to stand at 237.9 in that month. But, assuming that they are correct in their forecast, the pace of the retail price index will then be decelerating.

By June, reflecting continuing price rises and the additional indirect taxes imposed by the Chancellor, the index will reach about 229 (compared with 214.2 in April). But if it then goes to 237.9 in November, this is a further 3.4 per cent, representing an annual rate of change for the period from June to November of no more than 3.2 per cent.

It seems curiously pointless to give the impression that inflation is going to be more than twice as bad as the Government actually expects—particularly as it has already been in double figures since December of last year.

Harvey Cole, 9 Chiffers Road, Winchester.

## Increases in VAT

From Mr. K. Bangerter

Sir—Mr. Cole, (June 15) seems to have stumbled on an ideal way to reduce inflation, but why stop at the 7 per cent used in his example?

For instance, on the basis of his arithmetic, if the Chancellor had increased VAT by 100 per cent then:

1979 base price	100
1980 price	110
Inflation 10 per cent	
1979 price + VAT	200
1980 price	210
Inflation 5 per cent	

But how revealing are Mr. Nelson's results. By assuming that the taxpayer benefits less than most from the tax allow-

## Employee share ownership

From the Chairman, Uni-Export Trading Company.

Sir—I wish that politicians and lawyers would leave business in business men. Lord Shawcross's suggestion (June 14) to the Wider Share Ownership Council that employees should hold the shares in other companies rather than the one in which they work, is completely alien to the aim for which the shares are given. Any company which distributes shares among its employees does so to secure their loyalty and greater interest in the company in which they work, thus avoiding strikes and shabby workmanship.

Each individual employee is entitled to invest his money wherever he wishes, but if the companies followed the advice from Lord Shawcross it would amount to the same result as a false productivity deal.

E. G. Balzert, Uni-Export Trading Company, 14a, New Broadway, W5.

## Making tax cuts

From Mr. Frank Field, MP

Sir—I wrote (June 8) in support of Samuel Brittan's bravely stated case for cutting the tax allowance welfare state. The Government has refused to follow this advice and the dangers inherent in their budgetary strategy of making tax cuts in a traditional manner are admirably set out, again by Samuel Brittan (June 14).

Mr. Nelson has written (June 13) to question the figures I gave. True, in a short letter it was impossible to set out the assumptions on which it had been calculated that the average rate of tax for a person on £15,000 a year is 22 per cent. The assumptions and figures are, however, set forth in the Parliamentary Answer which I used (November 29, 1978, vol. 999, col. 222). And readers will see that the 22 per cent figure stands.

But how revealing are Mr. Nelson's results. By assuming that the taxpayer benefits less than most from the tax allow-

## Employee share ownership

From the Chairman, Uni-Export Trading Company.

Sir—I wish that politicians and lawyers would leave business in business men. Lord Shawcross's suggestion (June 14) to the Wider Share Ownership Council that employees should hold the shares in other companies rather than the one in which they work, is completely alien to the aim for which the shares are given. Any company which distributes shares among its employees does so to secure their loyalty and greater interest in the company in which they work, thus avoiding strikes and shabby workmanship.

Each individual employee is entitled to invest his money wherever he wishes, but if the companies followed the advice from Lord Shawcross it would amount to the same result as a false productivity deal.

E. G. Balzert, Uni-Export Trading Company, 14a, New Broadway, W5.

## Scottish land owners

From the Viscount of Arbutnot.

Sir—Last month I retired after five years as president of the Scottish Landowners' Federation, a term of office that was preceded by two terms each of three years as vice-co-ordinator and convener of the Federation's council. I could therefore have taken the comments of your contributor to Men and Matters (June 11) as a personal reflection on my period of office if I felt there was the slightest fragment of truth in the comment that "Land ownership has had name in Scotland just now." His statement on "scandalous evictions" is totally unsubstantiated and I would be obliged for just one instance of the actions described in the circumstances given "by owners who want their estates exclusively for sport or as holiday recreation."

Scottish landowners have every reason to be proud of their contribution to a progressive Scottish farming and forestry industry and for their pioneer work in the development of a variety of recreational uses on their lands which are increasingly available to a larger number of people. The only "bad name" given to their activities is that by those apparently bickering members of the Press who, as was the case in your recent edition are even prepared to "knock" an occasion deliberately given to them of interviewing a Scottish landowner on his own

## Control yourself Roberts, at £3 a square foot we can afford champagne every week!

You may have come to expect a price rise on one of the main facts of life but a regular Location Audit must show you otherwise.

Once you are aware of all the hidden expenses which a Location Audit can reveal, you may realise that a Location Audit can transform your profit ability. But what a Location Audit can do for you.

Location Audit has published a new booklet to help you plan a Location Audit. You can afford to ignore it. Send off a coupon on phone for your free copy now.

If it comes to a move, or even if you're still not sure, give a call. Location Audit is the most comprehensive and completely impartial source of information and advice on office location throughout the country and there's no charge for our services.

To: The Location of Offices Bureau, 27 Chancery Lane, London WC2A 1NS. Tel: 01-405 2921 Telex: 213333. Please send me a free copy of your new Location Audit guide.

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_

**LOCATION OF OFFICES BUREAU**

Set up to promote a better distribution of office employment. FT 3

# Good year for Hambros: attributable tops £7m

AFTER REPORTING lower earnings for the first half, the second six months at Hambros banking group showed an improvement with the group producing an attributable profit for the year ended March 31, 1979 of £7.12m compared with £4.99m previously. Stated earnings per share are 33.64p against 23.55p.

The directors say the improvement was throughout the group but particularly in banking, unit trust operations and in investment performance.

The year's profit comprises banking, £1.1m against £1.39m, other operating profits less minority interests, £2.5m (£233,000) including an exceptional credit of £1.04m and associates' share, including Hambro Life Assurance, £3.2m compared with £2.75m.

There are to be added investment gains of group companies, £3.29m against £1.51m, share of associated companies' investment gains, £1.47m (£590,000) and extra dividend items, £100,000 against £1.76m leaving a balance of £11.68m compared with £8.56m.

The final dividend on the 10 shares (£2.50 paid) is 67.24p lifting the total from 96.085p to 163.24p.

The dividend on the 25p shares is one-tenth of this amount while the payment on the £1 "A" shares is unchanged at 4.2p.

Last year, minor reserves were drawn on towards shipping loan provisions. This year, as existing provisions are already adequate, minor reserves have been increased, the directors say.

Shareholders' funds have advanced from £65m to £76m. Also at the year-end, there was an additional excess of £41m of market value over the balance sheet carrying values of listed associated companies — principally Hambro Life and Berkeley Hambro.

See Lex

Company	Page	Col.	Company	Page	Col.
Avenue Close	20	5	Hanson Trust	20	4
Beechwood Constrn.	20	2	Intrnl. Distillers	21	5
Brown & Tawse	21	4	Mercantile House	21	4
Chamberlain Phipps	20	6	Mining News	22	4
Courtauld	21	1	Scottish Amicable	20	4
Dawson Intl.	20	6	Shaw & Marvin	21	3
Dorada	22	6	Simon Engrng.	22	6
Gt. Northern Invest.	20	5	Throgmorton Trust	20	5
Hambros	20	1	Trans-Oceanic Trust	21	3

## Beechwood well ahead at best-ever £704,255

AFTER THE midway upturn from £134,522 to £234,557, Beechwood Construction (Holdings), civil and mechanical engineering group, finished the March 31, 1979, year with pre-tax profits well ahead at a record £704,255, compared with £312,153. Turnover rose by 16 per cent to £9.6m.

After tax of £56,879 (£52,556), earnings per 10p share were up sharply from 4.2p to 10.5p. A net final dividend of 1.507p takes the total payment to 2.0746p against 1.823p previously.

Depreciation took £474,246 (£433,913) and interest charge was £247,667 (£155,344).

Mr. M. C. Thomas, the chairman, says satisfactory profit improvements were achieved in all fields of activity, particularly the engineering companies.

A revaluation of freehold and leasehold land and buildings produced a surplus of over £387,000. The bulk of deferred taxes have been transferred to reserves.

The chairman describes the balance-sheet as greatly im-

## Hanson Trust £12.5m so far

TOGETHER with a one-for-two rights issue, Hanson Trust reports record half-year pre-tax profits of £12.5m compared with £11.4m in the same period last year.

Figures for the half year—to March 31—show stated earnings per share at 10p against 9p. The interim dividend is stepped up from 3.025p to 3.3275p and the directors are forecasting a final dividend of 4p on the enlarged capital.

Sales for the half year went ahead from £386m to £245.1m with agriproducts in the U.S. contributing £170.5m (£155.6m) and £13.6m (£14.8m) in the U.K. Industrial services in the U.S. contributed sales of £120.5m (£95m) and £40.2m (£29.6m) in the U.K.

A profit analysis shows U.S. agriproducts at £3.8m (£3.5m) and £0.5m (£1.1m) U.K. Industrial services in the U.S. £4.9m (£3.3m) and U.K. £4.5m (£3.4m).

After tax and minorities, the half-year attributable profit was ahead at £8.8m compared with £8.3m.

See Lex

## Scottish Amicable raises with-profit bonus rates

IMPROVED BONUS rates on all with-profit contracts have been declared by the Scottish Amicable Life Assurance Society.

On the principal bonus series, the interim bonus rate is lifted to 4.25 per cent per annum of the sum assured and £3.25 per cent per annum of attaching bonuses, against the previous rates of 4.10 per cent and £3.10 per cent respectively.

On the Flexidowment contracts (second series), the new bonus rate is £3.90 per cent per annum of the sum assured and £3.20 per cent per annum of attaching bonuses, compared with £3.75 per cent and £3 per cent respectively.

On the company's self-employed pension contract, Flexipension, the bonus rate is now 4.10 per cent per annum of the retirement sum and 56.70 per cent per annum of the attaching bonuses, an increase of 10p on the retirement sum bonus rate and 70p on the attaching bonus rate. A similar rate is payable on the Superannuation (second series).

Scottish Amicable has also improved its terminal bonus rates. On maturity or vesting claims, the bonus is now 11 per cent of the basic benefit plus attaching bonuses for each complete year except the first five years. Previously the rate was 50p per cent. On death claims the same improvement is made on the scaled-down payment.

# Dawson Int. reaches £16m and lifts dividend 270%

DESPITE HAVING to contend with a much less buoyant state of world trade than in the previous year, in which unusually favourable trading conditions applied, Dawson International improved taxable profits from £15.53m to £16.26m for the March 31, 1979, year. In addition, the company is hoisting its dividend payments by 270 per cent.

The results includes a better-than-expected performance from John Haggas, which was acquired towards the end of last year. Excluding attributable profits of the Haggas group from January 1, pre-tax profits of the textile manufacturer were £15m, compared with the forecast of £14.5m made at the time of the unsuccessful bid from William Baird and Co.

This forecast did not take into account the cost in the year of interest on the cash element of the consideration paid to Haggas shareholders, estimated at £0.3m.

At the halfway stage, profits were up by 17 per cent to £8.63m and the directors said they were confident that the forecast would be met.

External sales for the year increased from £82.6m to £96.2m, including sales in overseas markets of £47m (£43m) which comprised 49 per cent of the total. Pre-tax profits were boosted by interest receivable amounting to £1m, compared with a £200,000 charge.

1978-79 1977-78

External sales	96.2	82.6
Trading profit	17.15	17.00
Interest receivable	1.00	0.52
Income tax	1.83	1.48
Profit before tax	15.29	15.53
Taxation	2.56	2.56
Net profit	12.73	12.97
Extraord. debt	2.51	1.18
Attributable	10.22	11.79
Retained	3.38	1.18
Dividends	6.98	2.24

• comment

The group's financial position was further strengthened during the year. Funds generated from trading amounted to £17.7m. And additional funds of £1.6m were generated from efficiencies in the use of working capital, the year end, investments, and deposits totalled £22.4m against a market value of £22.4m. Fixed assets were substantially increased from £8.08m to £19.93m, including a revaluation surplus on property of £7m (£37.89m).

At the pre-tax level, Dawson has delivered the goods. It comfortably exceeded the £16m forecast made in the offer document for John Haggas late last year. Behind the figures good performance by members of the group. There was no violent fluctuation in the prices of cashmere—w appeared to peak early in year and could have forced group to make provisions stock. Overall trading conditions were not quite so buoyant 1978-79 as they were in previous year and margins under a little pressure. Ex (which contribute roughly of sales) fared well in hard rancy markets but not so in the U.S. For the eu year, order books are fatter they were last year and Chancellor's new tax mea may help domestic sales. shares edged up 3p to yesterday giving a p/e of 5.1 yield of 9.5 per cent. It is a modest upturn in demand and could have forced group to increase its market share spearhead for growth w overseas and in the gene. duities division where m this year's £3m capital ex ture will go. At 55p the are on a p/e of 5.4 whi yield is 7.9 per cent.

## Chamberlain Phipps increases 22%: sees further progress

TAXABLE profits of Chamberlain Phipps rose 22 per cent from £13.9m to a record £16.9m in the year to March 31, 1979, on turnover 15.5 per cent higher at £59.44m, against £51.44m.

At midway, the surplus was up from £1.24m to £1.51m.

Mr. W. R. F. Chamberlain, chairman of the manufacturer of components and materials for the footwear, clothing and automotive industries, is confident the group will again make good progress in the current year.

But he is concerned about the rate of inflation, the supply and price of oil, and the possibility of a downturn in world trade.

After tax for the year of £14.2m (£12.3m), earnings per 10p share are shown to have risen from 7.97p to 9.78p. The net final dividend of 1.8054p lifts the total 30 per cent to 2.5054p (2.155p).

The chairman says £50.15m of total sales were made by UK companies and £9.26m by overseas companies. Exports increased 9 per cent to £8.54m—meaning 30 per cent of sales were outside the UK.

Profit margins again increased while the overseas companies' contribution to profit rose substantially.

The footwear manufacturing industry received £58m of group sales, of which 64 per cent was sold in the UK and 36 per cent overseas. The shoe components, Phipps-Paire and moulding divisions each had a good year.

Although additional investments were made in certain overseas companies and in machinery and plant during the year, total debt was marginally lower, the chairman says.

• comment

In spite of relatively flat demand in the UK footwear industry and the export difficulties resulting from a stronger pound, Chamberlain Phipps shows no sign of slowing down. Full-year profits are 22 per cent higher, reflecting real growth of nearly a tenth. The improvement in margins is mainly due to better productivity overseas—a picture that would have looked more impressive but for adverse currency movements. At home, CP is making gains in market share on the footwear side, although

Company	Current payment	Date	Corre. Total	Total last year
Beechwood Constrn.	1.51	July 28	1.3	1.83
Brown and Tawse	4.5	Aug. 9	3.64	4.89
Chamberlain Phipps	1.51	Aug. 10	1.24	2.16
Dawson Intl.	4.5	Aug. 29	0.99*	1.88*
Gt. Northern Inv. Int.	1.5	Aug. 15	1.29	4.5
Hambros	67.2	—	53.5	109.2
Hanson Trust	3.33	July 31	3.03	7.02
Old Swan Hotel	0.36	—	0.36*	0.59*
Progressive Sees. Tst.	2.14†	July 5	1.9	2.8
Shaw and Marvin	2.35	July 30	Nil	0.35
600 Group	2.63†	—	2.25	4.57
Throgmorton Tst.	2.35	Aug. 3	2	4.88
Time Products	5.02†	—	1.25	5.5

Dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Increased following reduction in ACT.

## Hambros Investment Tst. expects revenue growth

With the lifting of dividend restraint in prospect Hambros Investment Trust is optimistic of further growth in its revenue in the current year, says Sir J. O. Hambro, the chairman.

Present conditions have made the company view the short term with caution and, therefore, the trust has become more liquid since year-end. However, on the longer view, having regard to the historically low valuation of share prices in both the UK and the U.S., the directors are confident that their large investments in equities in these areas will prove rewarding.

As a March 31, 1979, investments totalling some £31m (£42m) were distributed, in percentages, as to U.K. 67.88 (65.99); U.S. 27.28 (28.44); Canada 1.15 (0.96); Pacific area 2.74 (2.94) and elsewhere 0.97 (1.67).

Pre-tax revenue of The Throgmorton Trust rose from £1.55m to £1.55m in the year to May 31, 1979. Gross revenue reached £1.72m, against £1.56m.

Tax took £330,029 (£466,334), leaving net profit higher at £1.02m compared with £883,629. Fully diluted earnings per 25p share are shown at 2.51p (2.05p).

The net interim dividend is raised from 2p to 2.25p—last year's total was 4.875p on taxable profits of £3.05m. The net asset value, taking prior charges at par and allowing for full conversion of the assured £25p stock, increased 20.2 per cent to 119.4p (20.2p).

Taxable profits were struck after administration and interest charges of £174,434 (£208,516).

## Throgmorton Trust up to £1.55m so far

Pre-tax revenue of The Throgmorton Trust rose from £1.55m to £1.55m in the year to May 31, 1979. Gross revenue reached £1.72m, against £1.56m.

Tax took £330,029 (£466,334), leaving net profit higher at £1.02m compared with £883,629. Fully diluted earnings per 25p share are shown at 2.51p (2.05p).

The net interim dividend is raised from 2p to 2.25p—last year's total was 4.875p on taxable profits of £3.05m. The net asset value, taking prior charges at par and allowing for full conversion of the assured £25p stock, increased 20.2 per cent to 119.4p (20.2p).

Taxable profits were struck after administration and interest charges of £174,434 (£208,516).

	Year ended 31.12.78	31.12.77
Profit after tax	£1,129,348	£788,952
Extraordinary item	87,688	—
	1,041,660	788,952
Dividends for year	—	—
—pence per 10p share	6.0p	4.0p
—absorbing	£355,902	£637,268
CROPS HARVESTED '000 Kgs.		
Rubber	20,500	20,600
Palm Oil & Kernels	41,100	40,600
Coffee	500	800
Tea	900	800
PLANTED ACREAGE (subject to survey)		
Rubber, Oil Palms, Coffee, Tea, Cocoa, Coconuts—	87,527	acres

Annual General Meeting—11th July 1979



## BPC success stories

You could learn a lot from them

British Printing Corporation has a new name. You've been using it for years — but from now on we shall be BPC officially.

The point is that P doesn't just stand for Printing alone any more. It stands for Publishing and Packaging too. More than 50% of profits and nearly 40% of turnover last year came from group companies whose existence the group name ignored!

BPC's publishing interests cover some twenty-five companies. Last year they put out 18 million copies of hard-back books and 9 million paperbacks. Famous names on our list include Jane's Fighting Ships, Wisden's Cricketers' Almanack and Rothman's Football Yearbook, the New Caxton Encyclopedia, Macdonald Starters, Cordon Bleu, Yehudi Menuhin, Catherine Cookson, Tito Gobbi, William Rushton and Mickey Mouse and other children's books from Purnell. We publish the best-selling paperbacks "Scruples" and "The Thornbirds". We also publish language courses — combined cassettes and books — and thousands of Japanese businessmen owe their English to BPC.

Publishing accounted for 32% of our total 1978 trading profit of £11.13m; and this division's profits have more than trebled in the last six years.

For copies of our latest corporate booklet and Report & Accounts, apply to the Secretary.

# BPC

BPC Limited 44 Great Queen Street, London WC2. Telephone: 01-240 3411.

## Gt. Northern Investment slightly lower

Taxable revenue of Great Northern Investment Trust for the half year to May 31, 1979, was fractionally lower at £1,534,360, compared with £1,969,900. Net asset value per 25p share at half-time stood at 148p against 137p at the end of 1977-78.

Tax for the half-year of £718,076 (£811,768), left the net balance at £1,216,284 (£1,353,132).

The net interim dividend is stepped up to 1.5p (1.29p) per 25p. Last time a 3.21p final was paid from net revenue of £2.31m.

## Mercantile House new issue

Mercantile House Holdings, the parent of leading international money broker, M. W. Marshall and Co., intends to make an offer for sale to the public in July.

The timing is dependent on market conditions being favourable but S. G. Warburg and Co. is pressing ahead with the necessary preparations and Cazenove and Co. have agreed to become brokers to the issue.

There is already an unofficial market for the company's shares which are owned by several institutions, by Mercantile directors and staff. No final decision has yet been taken on the mix of new shares and old shares that will constitute the offer.

Beside the international money broking activities the firm is, through its other subsidiary, Saturo Holdings, involved in financial services such as domestic money market and leasing advice.

It has an April year-end and recorded a pre-tax profit of £1.7m in 1977-78. The figure in the latest year is expected to be substantially better.

The final decision on the price of the new shares has not yet been made but it is expected that the company will have a market capitalisation of between £9m and £10m.

## Avenue Close

The directors of Avenue Close, property investment and development group, look forward to the future with confidence according to Mr. J. Julius, the chairman, in his annual statement.

# MAIBL IS...

...big where it counts. The first major consortium bank; its members have aggregate assets of over £37,800 million.

...small where it matters. Your business will be handled at senior level by experts who pride themselves on providing a fast, efficient and, above all, personal service.

...wide ranging and flexible. Whatever your particular need, MAIBL will tailor a financial package to meet it, whether it be the provision of working capital, project financing, leasing or restructuring debt.

...truly international. The scope of our services spreads throughout the world, so that we can assist you wherever you need our help in bringing your plans to successful fruition.

MIDLAND AND INTERNATIONAL BANKS LIMITED  
26 Throgmorton Street, London EC2N 2AH.  
Telephone: 01-588 0271. Telex: 885435.

Representative Offices in New York and Melbourne, Australia.  
Subsidiary Company: MAIBL Bernuda (Far East) Limited, Hong Kong.

Member Bank: Midland Bank Limited; The Toronto-Dominion Bank Group; The Standard Chartered Bank Limited; The Commercial Bank of Australia Limited.

John Julius

UK COMPANY NEWS

Courtaulds to step up capital expenditure

In development of new and improved products and a programme of opening up new business opportunities... Courtaulds Ltd. has announced that the directors of Courtaulds, a man-made fibres group, in its annual report...

BOARD MEETINGS

Table listing board meetings for various companies including Anglo Television, Brunner Investment Trust, and others, with dates and times.

for the group but not yet subject to contract amounted to £32.1m (£18.7m) and for Courtaulds Ltd. to £24m (£11m). For the year ended March 31, 1978, the group's cash resources were unchanged after taking into account the proceeds of disposing of fixed assets and investments amounting to a net figure of £27.3m. The major item was the sale of the subsidiary, the Delta and Pine Land Company of Mississippi. Loan repayments of £1.8m included the £1m-100m of 7 1/2 per cent unsecured loans repaid in 1978. £8m 51 per cent bonds 1978/82.

Brown & Tawse ahead to £3.8m

RECORD pre-tax profits of £3.8m for the year ended March 31, 1979, are reported by Brown and Tawse, steel and tube stockholder and engineer. The profit compares with £3.33m in the previous year. First half profits had risen from £1.62m to £2.03m and directors had expected the year's profit to show an increase over 1977-78.

Internatnl. Distillers soars

PROFIT OF International Distillers and Vintners for the six months to March 31, 1979, soared from £3.47m in £14.25m after tax and minorities. Sales by the group, which is a subsidiary of Grand Metropolitan, were £43.23m ahead at £27.86m.

19 companies wound up

Orders for the compulsory winding up of 19 companies have been made by Mr. Justice Slade in the High Court. They are: Building 2 Design, Fabler, Destination London, Victorush, Deacon, Davies and Fox, D. M. Shefford and Co. (Insurance Brokers), Enfield Grove Holdings, Wardhill Estates, Connaught Engineering, Island Factors, Woolshire, Ari Ship Group of Companies, Cannon-ques, Volkaparis, A.T.S. Vendings, Space Design, Chess Valley Concrete (Sales), Racec and D. Roberts Foss.

Branches and representative offices in 14 international financial centres, correspondents in 2,000 major cities round the world.

Credito Italiano

a bank in any country

Backed by a long standing tradition of world-wide banking, all our special skills, wide experience, and vast resources are readily available to you in the comprehensive services provided by our London branch.



A great name in banking

12 Moorgate, London EC2R 1JN. Telephone: 01-839 9111. Telex: 883450/888075 CredItO. Head Office: Milan. Branches and Representative Offices: London, New York, Los Angeles, Buenos Aires, Caracas, Chicago, Frankfurt, Hong Kong, Moscow, Paris, Sao Paulo, Tokyo and Zurich.

US \$25,000,000

7 1/2% Convertible Subordinated Debentures due 1988/1992

ennia-nv

Established at The Hague, The Netherlands

in accordance with the provisions in Article XXI of the Trust Agreement the undersigned declares. That in 1978 Ennia NV complied with all the obligations laid down in the Trust Agreement. That in 1978 the conversion rate remained unchanged. That in 1978 debentures up to a nominal amount of \$3,710,000 have been converted. That owing to the above mentioned conversions of debentures the outstanding amount of the loan, which amounted to US\$25,000,000 per December 31st, 1977, was reduced to US\$21,290,000 per December 31st, 1978. That in 1978 he found no occasion to make or perform any observations or acts.

The Trustee: NV Nederlandsch Administratieën Trustkantoor, Amsterdam, June 13th, 1979.

THE LONG-TERM CREDIT BANK OF JAPAN LIMITED.

U.S. \$30,000,000 Floating Rate Notes 1976-1981

For the six months 15th June 1979 to 15th December 1979 the Notes will carry an interest rate of 10 3/4% per annum with a coupon amount of U.S. \$32.74

Bankers Trust Company, London Agent Bank

Caisse Nationale de Credit Agricole U.S. \$50 million Floating Rate Notes due 1984

In accordance with condition No. 11 of the Notes, notice is hereby given that for the six months period 15th June 1979 to 17th December 1979 Notes will carry an interest rate of 10 3/4 3/8 %.

Relevant interest payments will be as follows:- Notes of U.S. \$1000 = U.S. \$ 53.64

FIRST CHICAGO THE FIRST NATIONAL BANK OF CHICAGO Agent Bank

Trans-Oceanic Trust rises to £654,000

Revenue of The Trans-Oceanic Trust increased from £535,500 to £659,895 in the six months to April 30, 1979, before tax of £524,453, against £192,600. A net interim dividend, stepped up from 1.5p to 2p to reduce disparity, has already been paid. Last year's total was 3.5p on taxable revenue of £1.15m.

Shaw & Marvin £43,232 profit

Following the midway recovery from losses of £12,784 to a £4,960 profit, Shaw and Marvin, mercer, dyer and knitwear maker, reports pre-tax profits of £43,232 for the year ended March 31, 1979 compared with a £7,655 loss in the previous year.

UNILEVER

The board meeting of Unilever announced for June 28 is to consider payment of the deferred balances of ordinary dividends and further payment re the final for 1978 following the tax cut.

Turner & Newall's important role in the microelectronics industry



One silicon chip stores thousands of elements of information. Photoresists are essential to silicon chip production and Hunt Chemical, a T&N company, is the leading USA supplier of these specialty chemicals.

The Advisory Council for Applied Research and Development recently nominated microelectronics as the most influential technology of our time.

If that's so, the future looks especially bright for T&N's chemicals division.

Our American subsidiary, Hunt Chemical, pioneered the negative photoresists essential to the manufacture of micro-circuit silicon chips. Today it is the largest supplier in the world, and is a growing supplier of positive photoresists.

Specialty chemicals is just one of the businesses in which T&N is making its mark internationally.

We are actively investing and growing in automotive components, plastics, man-made mineral fibres and construction materials, in addition to mining asbestos.

Turner & Newall has evolved at such a rate recently that your view of us may be rather out of date.

Why not correct that, by writing for our corporate brochure now?

TURNER & NEWALL LIMITED

Providing what the future needs

To: Public Relations Dept., Turner & Newall Ltd., 20 St. Mary's Parsonage, Manchester M3 2NL.

Please send me a copy of your corporate brochure and/or Report & Accounts

Name Address

M 19.6

# HOLT LLOYD International Limited

## Another period of expansion

POINTS FROM MR. TOM HEYWOOD'S STATEMENT FOR 1978/79

- ★ A 20% increase in pre-tax profits achieved and a maximum permitted dividend increase recommended.
- ★ U.K. Sales of D.I.Y. products went ahead by 24.2%. Overseas and export sales rose by 23% and Europe moved ahead strongly.
- ★ The current year has started well. With two major acquisitions, Pro-Combur S.A. in France and LPS Research Laboratories Inc. in the United States, we are now solidly and profitably established worldwide. We continue to budget, with confidence, for above-average growth.

	78/79	77/78	76/77	75/76	74/75
	£'000	£'000	£'000	£'000	£'000
Sales	35.15	29.39	22.32	17.00	14.08
Pre-Tax Profit	3.51	2.92	2.15	1.50	1.19
Earnings per Share	18.76p	16.28p	10.17p	7.08p	5.52p

Copies of the Report and Accounts are available from the Secretary, Holt Lloyd International Limited, Loyds House, Alderley Road, Wilmslow, Cheshire SK9 1QT.

### EUROPE'S LARGEST CAR CARE GROUP

# FOSTER BROTHERS

## Clothing Company Limited

"Trading profit has surged ahead from £5.132m to a figure very nearly doubled at £9.885m... an outstandingly successful trading result"

H. G. High, Chairman.

Other salient points from the Chairman's circulated statement:

- A final dividend is recommended of 3.43373p which, with the interim, makes 5p for the year (2.8p).
- A scrip issue of 'one-for-one' is recommended.
- The Group has now upwards of 700 outlets and will continue to grow. Foster Menswear with 500 shops enjoyed a very successful year.
- Dormie shops and hire centres contributed satisfactory profits.
- Our planning provides for at least 12 new branches each year for Adams Childrenswear to add to the current 63 shops.
- Millets of Bristol with some 50 shops trading basically in casualwear and camping equipment was acquired in January last. It will fit in well with our other retail activities.

Summary of Results		
Year ended	28.2.79	28.2.78
	£000's	£000's
Sales (incl. VAT)	67,824	50,194
Profit before tax	9,782	5,367
Profit after tax	4,903	2,591
Earnings per share	22.0p	11.6p

## MINING NEWS

### Texasgulf lifts production

THE TIME is right for Texasgulf because world demand for the essential resources it produces will continue to accelerate, Dr. Charles Fogarty, the chairman, told Toronto financial analysts.

"Texasgulf is well-positioned as demand for its products grows. We have well located large reserves. We have efficient, well-maintained modern plants in place with capacity being expanded," he said.

The group, which is based in Connecticut, is 30 per cent owned by Canada Development Corporation, the state-sponsored agency. Nearly half of its sales and 53 per cent of its pre-tax earnings come from Canada.

John Soganiach from Toronto reported that metal sales were 80 per cent higher than in the same period of 1978, while operating income responded to the rise in metal prices and moved 142 per cent higher, Dr. Fogarty noted.

Production at the Kidd Creek base metals operation in Ontario is rising. This year 4m tons of ore will be milled, against 3.3m tons in 1978 and 3.6m tons in 1977. By the end of 1981, the concentrator will be able to operate at its capacity of 5m tons a year.

65pc plant production, held at 75pc of capacity last year to avoid the build-up of inventories, is now working at full capacity.

Kidd Creek operating costs are low in any case, but Texasgulf is pushing ahead with technological projects to reduce costs further. The recovery of tin and the recovery of additional value from pyrites are considered as metallurgical challenges.

At present, Texasgulf is recovering only 3 per cent of the tin available, and the pyrites, which contain silver, zinc and tin are being stockpiled.

### NEW PLANT FOR LEPANTO

Lepanto Consolidated, the copper producer in the Philippines, has received Board of Investment approval for the construction of a P600 67m (124.4m) roaster plant with an annual capacity of 15,000 tonnes, reports Daniel Nelsoo from Manila.

The Lepanto roaster has a high arsenic content, which has made the company heavily dependent on Asarco of the U.S. for continuous operation.

A statement from the Board of Investment said the new plant would relieve Lepanto of existing problems in marketing copper concentrates and allow it to forecast sales with greater confidence and plan a production schedule over a longer period.

### DIAMONDS LURE WHIM CREEK

Australia's Whim Creek, a member of the Irish-Croatian Northgate Group, has joined the "diamond rush" in Australia's Kimberley region.

In the annual report, the com-

## OIL AND GAS NEWS

### Mobil's second success offshore Sable Island

MOBIL CANADA has made a second gas find in a well drilled with partners near Sable Island about 150 miles south-east of Halifax, Nova Scotia, reports Robert Gibbons from Montreal.

The Venture 2-23 well flowed gas at a restricted rate of 22.8m cubic feet daily and condensate at 294 barrels daily from a 50-foot interval below the 15,000 feet level.

A previous test 800 feet deeper in the well flower gas at 10.2m cubic feet daily and condensate at 140 barrels daily.

Another zone nearer the 14,000 feet level will be tested next. Partners with Mobil are Petro-Canada, the national oil company, Texaco Canada, and Kaiser Resources Ltd.

Egyptian Petroleum Development Company has confirmed that it has encountered oil in a test drilling site on Egypt's Red Sea coast.

The company, a wholly-owned Japanese firm, has been prospecting for oil in the West Bakr area since 1975 under a joint development and production sharing agreement with the Egyptian Government.

The successful well, the fifth of six test wells, flowed oil at a rate of between 1,200 to 1,300 barrels a day from a depth of 4,300 feet. However, more testing will be needed to determine whether the deposits would be commercially viable.

The company declined to comment on newspaper reports that the deposits would be able to produce 30,000 to 30,000 barrels of oil a day on a commercial basis.

Under the terms of the 1975 agreement 85 per cent of any oil output goes to the Egyptian Petroleum Organisation and 15 per cent to the Japanese companies.

Egyptian Petroleum Development was formed in 1973 by a consortium of 36 Japanese firms. It has a capital of ¥5,590m, 46 per cent of which is owned by the semi-official Japan National Oil.

At the annual meeting of Central Pacific Minerals recently held in Sydney, the chairman, Mr. Ian MacFarlane, told shareholders that negotiations aimed at finding partners for development of shale oil deposits in Northern Queensland are still continuing.

Discussions are being held through the company's merchant bank in New York with a number of American oil companies.

Mr. MacFarlane said that about AS\$280m (£150m) would have to be spent by 1982 to develop the deposits at Rundle, near Gladstone.

Abu Dhabi increased crude oil exports to 131m barrels in the first quarter of year compared with 127m barrels in the previous quarter according to the official United Arab Emirates news agency. The increase was to help meet shortages on the international market.

However, Abu Dhabi's 1978 oil output fell 8.5 per cent over the previous year's production to 730m barrels. Crude exports totalling 724m barrels also fell 8 per cent below 1977 sales.

## BIDS and DEALS

### Dorada pays £1.45m for three power saw companies

Dorada Holdings, the motor vehicle distributor and engineering concern, is paying a total of £1.45m for three companies which specialise in the manufacture of power saws.

The purchases, says Dorada, are part of the company's policy of developing its manufacturing interests and reducing its dependency on the motor trade.

The acquisitions will fit in with an existing Dorada subsidiary Charles Wicksteed and Company, which makes hydraulic saws for the engineering industry.

The new companies, Alexander Machinery (Dudley), Qualters and Smith Bros. (Inf. Barnsley) and Richard Haishton (also of Barnsley), will enable Dorada's engineering group to produce equipment with a wider range of cutting equipment capacity than is presently available from Wicksteed.

Combined profits before interest and tax and turnover of the three companies for the year to June 1978 were £326,000 and £4.07m respectively.

Consideration for the purchase has been satisfied by the issue of 1.5m Dorada shares and £512,000 in cash.

### Simon Engineering expands in U.S.

Simon Engineering, the process plant and special machinery group which has just completed an £11m rights issue, is stepping up its presence in the U.S.

Simon announced yesterday that it is paying at least \$25m (£13.3m) for the Aliso and Santa Ana Companies of Chicago, a move which the group says is in line with the policy of strengthening its position in energy-related fields. The purchase price could rise to \$4m (£1.9m) under an "earn-out" arrangement based on future profits.

Allen and Garcia is a designer and contractor in the fields of coal preparation, washing, handling, storage, blending and unit train loading.

A spokesman for Simon said the group has built coal preparation plants in the U.S. in the past. The acquisition, however, would give Simon a direct entry into this market.

In March, Simon paid almost \$4m for Unichem International of New Mexico, a supplier of specialised oil field chemicals.

Meanwhile, Mr. Harry Harrison, chairman of Simon, told shareholders at the annual meeting that he did not wish them to think the group's recent new ventures and acquisitions would be net contributors to company profits from the outset.

Much of the company's growth strategy, he added, had been built on the assumption that it will be some years yet before there is a return to the buoyant trade conditions of the late 1960s and early 1970s. Mr. Harrison said the results so far achieved "vindicate our decisions" and, despite the difficulties ahead, "the board is looking for further reasonable profit progress during this year."

### SUITS DIRECTORS ADVISE ACCEPTANCE

The dissident directors of Scottish and Universal Investment are now advising minority shareholders to accept Lonrith's increased offer rather than being locked in as an impatient minority group.

The three directors, Mr. Hugh

### SIEMSEN HUNTER APPROACH MADE

Siemssen Hunter, the cigar importing and specialist publishing group, has received an approach from "an acceptable outside source" who wish to begin discussions about a possible acquisition with the company.

The directors stress that this is a preliminary approach and it is not possible to predict the outcome or indicate when a further announcement could be made.

### ADP SUSPENDED

Shares in Amalgamated Distilled Products were suspended at 45p yesterday. ADP's directors said discussions were taking place which may result in "an association with a third party" but this will not involve a general offer to shareholders.

### HARDY FURNISHERS

Hardy and Co. (Furoishers), the subject of a tentatively agreed bid from Harris Queensway, has just hosted the value of its property portfolio by around £20m.

Phillips Furnishing Stores, a subsidiary of Hardy, has just paid £200,000 for a freehold property in Birmingham's High Street, next door to its own existing shop. Phillips' own doubt unit shop was last valued at £750,000 in April 1978.

### SHARE STAKES

Automotive Products—Pin Investments has bought 100,000 shares. E. G. Barr director, is also a director.

Pinion—Seekers International—Growth Securities holds 465,000 shares.

Whitbread and Co.—W. bread investment Co. has 170,000 shares. Ordinary share holding 5,223,536 (£45.44 per cent).

North British Property—K. Bell, director, has sold 20 shares.

### CORAL INDEX: Close 480-485

### INSURANCE BASE RATES

Property Growth	111%
Vanbrugh Guaranteed	10.87%
* Actual shown under Insurance and Property Bond Table.	

### WE, THE LIMBLESS, LOOK TO YOU FOR HELP

We come from both world wars. We come from Kenya, Malaya, Aden, Cyprus... and from Ulster. From keeping the peace no less than from war we limbless look to you for help.

And you can help, by helping our Association, BLESSA (The British Limbless Ex-Service Men's Association) looks after the limbless from all the Services. It helps, with advice and encouragement, to overcome the shock of losing arms, or legs or an eye. It sees that red-tape does not stand in the way of the right entitlement to pension. And, for severely handicapped and the elderly, it provides Residential Homes where they can live in peace and dignity.

Help BLESSA, please. We need money desperately. And we promise you, not a penny of it will be wasted.

### British Limbless Ex-Service Men's Association

Donations and information: Major The Earl of Ancaster, KCVO, TD, Midland Bank Limited, 60 West Smithfield, London EC1A 9DX.

### Amerada Hess Corporation

Warrants to Purchase Shares of Common Stock, \$1 Par Value, of Amerada Hess Corporation

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Section 3.A of the Warrant Agreement dated as of July 1, 1978 (the "Warrant Agreement") between Amerada Hess Corporation (the "Company") and The Chase Manhattan Bank (National Association) ("Chase") under which Chase and Banque Générale de Luxembourg, S.A., are Warrant Agents, the exercise price and the number of shares of the Company's Common Stock issuable upon exercise of a Warrant have been adjusted by reason of a 2 1/2% stock dividend declared by the Company on shares of its Common Stock payable on July 30, 1979 to holders of record of such Common Stock at the close of business on June 15, 1979.

Effective immediately after the opening of business on the next business day after June 15, 1979, the exercise price of a Warrant, after giving effect to such adjustment, was \$40.39 per share and the number of shares purchasable, as so adjusted, upon exercise of a Warrant was 1.189.

No fractional share will be issued upon the exercise of a Warrant to purchase said Common Stock. As to any fraction of a share which the holder of one or more Warrants would otherwise be entitled to purchase on such exercise, the Company shall pay the cash value thereof determined as provided in the Warrant Agreement.

Each Warrant may be exercised on or before the close of business on July 1, 1979 on any business day.

Date: June 18, 1979  
New York, New York

AMERADA HESS CORPORATION

### Hydro-Quebec

9 3/4% Debentures Series D.I. due 1st July 1993

US\$2,500,000 Debentures have been purchased on the market to satisfy the Purchase Fund requirements due 1st July 1979

### THE THROGMORTON TRUST LIMITED

#### Interim Revenue Statement

The Board of Directors have pleasure in announcing the unaudited Revenue figures of the Company for the six months ended 31st May, 1979.

	Six months to 31.5.79	Six months to 31.5.78	Twelve months to 30.11.78
	£	£	£
GROSS REVENUE	1,719,916	1,558,679	3,489,712
Less: Administration and Interest	174,434	208,676	437,660
	1,545,482	1,349,803	3,052,052
Less: Taxation	530,929	466,334	996,489
	1,014,553	883,529	2,055,563
Unappropriated Revenue b/fwd	685,671	681,139	681,139
	1,700,224	1,564,668	2,736,702
Less: Preference dividend	38,063	38,063	76,125
AVAILABLE FOR ORDINARY DIVIDEND	£1,662,161	£1,526,605	£2,660,577
EARNINGS PER SHARE—Fully diluted	2.31p	2.05p	4.78p
ORDINARY DIVIDENDS—pence per share (interim 2.25p (1978—2.00p) Final — (1978—2.575p)	950,437	810,218	810,218
	£ 950,437	£ 810,218	£ 1,974,906
	£ 712,624	£ 716,387	£ 838,871
NET ASSET VALUE PER SHARE	119.4p	91.2p	99.3p

N.B. 1. The net asset value allows for full conversion of the 8 1/2% Convertible Unsecured Loan Stock and values prior charges at par.

2. At a meeting of the Board of Directors today it was resolved that an interim dividend of 2.25p (1978—2.00p) be paid on 3rd August 1979, in respect of the year to 30th November 1979, to shareholders on the register as at 8th July 1979.

3. The dividend will be paid on the capital as increased by the compulsory conversion of the balance of 8 1/2% Convertible Unsecured Loan Stock outstanding.

18th June, 1979

Jellycolito



# BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

## How can a merchant bank help a private company?

Are you seeking to acquire a profitable business? Do you need to increase your overdraft or should you look for an increase in capital? GRESHAM TRUST can help. Solving problems like this is our business. We are a long established merchant bank who specialise in financing private companies. That's why we'll always listen - whatever your requirements. So don't be afraid to write or ring one of our Directors.

Why don't you do so today?



### Gresham Trust

Where the successful private company feels at home.

Gresham Trust Ltd, Barrington House, Gresham Street, London EC2V 7HE  
Tel: 01-606 6474  
Birmingham Office: Edmund House, Newhall Street, Birmingham B3 3EW  
Tel: 021-236 1277

## FINANCE FOR THE ROWING COMPANY

Obtain details of our factoring and invoice discounting services

**ARBUHNOT FACTORS LTD.**  
Breeds Place, Hastings TN34 3AB  
Contact: S.E. Finch Tel: 0424 430824

## U.S. EMIGRATION

Are you serious about living and working in America? We are not! We are serious about helping you. We can help you to obtain a visa, to obtain a passport, to obtain a flight ticket, to obtain a job in America, to obtain a house in America, to obtain a car in America, to obtain a bank account in America, to obtain a driver's license in America, to obtain a social security number in America, to obtain a health insurance policy in America, to obtain a life insurance policy in America, to obtain a pension plan in America, to obtain a retirement plan in America, to obtain a 401(k) plan in America, to obtain a 529 plan in America, to obtain a 528 plan in America, to obtain a 529C plan in America, to obtain a 529D plan in America, to obtain a 529E plan in America, to obtain a 529F plan in America, to obtain a 529G plan in America, to obtain a 529H plan in America, to obtain a 529I plan in America, to obtain a 529J plan in America, to obtain a 529K plan in America, to obtain a 529L plan in America, to obtain a 529M plan in America, to obtain a 529N plan in America, to obtain a 529O plan in America, to obtain a 529P plan in America, to obtain a 529Q plan in America, to obtain a 529R plan in America, to obtain a 529S plan in America, to obtain a 529T plan in America, to obtain a 529U plan in America, to obtain a 529V plan in America, to obtain a 529W plan in America, to obtain a 529X plan in America, to obtain a 529Y plan in America, to obtain a 529Z plan in America, to obtain a 529AA plan in America, to obtain a 529AB plan in America, to obtain a 529AC plan in America, to obtain a 529AD plan in America, to obtain a 529AE plan in America, to obtain a 529AF plan in America, to obtain a 529AG plan in America, to obtain a 529AH plan in America, to obtain a 529AI plan in America, to obtain a 529AJ plan in America, to obtain a 529AK plan in America, to obtain a 529AL plan in America, to obtain a 529AM plan in America, to obtain a 529AN plan in America, to obtain a 529AO plan in America, to obtain a 529AP plan in America, to obtain a 529AQ plan in America, to obtain a 529AR plan in America, to obtain a 529AS plan in America, to obtain a 529AT plan in America, to obtain a 529AU plan in America, to obtain a 529AV plan in America, to obtain a 529AW plan in America, to obtain a 529AX plan in America, to obtain a 529AY plan in America, to obtain a 529AZ plan in America, to obtain a 529BA plan in America, to obtain a 529BB plan in America, to obtain a 529BC plan in America, to obtain a 529BD plan in America, to obtain a 529BE plan in America, to obtain a 529BF plan in America, to obtain a 529BG plan in America, to obtain a 529BH plan in America, to obtain a 529BI plan in America, to obtain a 529BJ plan in America, to obtain a 529BK plan in America, to obtain a 529BL plan in America, to obtain a 529BM plan in America, to obtain a 529BN plan in America, to obtain a 529BO plan in America, to obtain a 529BP plan in America, to obtain a 529BQ plan in America, to obtain a 529BR plan in America, to obtain a 529BS plan in America, to obtain a 529BT plan in America, to obtain a 529BU plan in America, to obtain a 529BV plan in America, to obtain a 529BW plan in America, to obtain a 529BX plan in America, to obtain a 529BY plan in America, to obtain a 529BZ plan in America, to obtain a 529CA plan in America, to obtain a 529CB plan in America, to obtain a 529CC plan in America, to obtain a 529CD plan in America, to obtain a 529CE plan in America, to obtain a 529CF plan in America, to obtain a 529CG plan in America, to obtain a 529CH plan in America, to obtain a 529CI plan in America, to obtain a 529CJ plan in America, to obtain a 529CK plan in America, to obtain a 529CL plan in America, to obtain a 529CM plan in America, to obtain a 529CN plan in America, to obtain a 529CO plan in America, to obtain a 529CP plan in America, to obtain a 529CQ plan in America, to obtain a 529CR plan in America, to obtain a 529CS plan in America, to obtain a 529CT plan in America, to obtain a 529CU plan in America, to obtain a 529CV plan in America, to obtain a 529CW plan in America, to obtain a 529CX plan in America, to obtain a 529CY plan in America, to obtain a 529CZ plan in America, to obtain a 529DA plan in America, to obtain a 529DB plan in America, to obtain a 529DC plan in America, to obtain a 529DD plan in America, to obtain a 529DE plan in America, to obtain a 529DF plan in America, to obtain a 529DG plan in America, to obtain a 529DH plan in America, to obtain a 529DI plan in America, to obtain a 529DJ plan in America, to obtain a 529DK plan in America, to obtain a 529DL plan in America, to obtain a 529DM plan in America, to obtain a 529DN plan in America, to obtain a 529DO plan in America, to obtain a 529DP plan in America, to obtain a 529DQ plan in America, to obtain a 529DR plan in America, to obtain a 529DS plan in America, to obtain a 529DT plan in America, to obtain a 529DU plan in America, to obtain a 529DV plan in America, to obtain a 529DW plan in America, to obtain a 529DX plan in America, to obtain a 529DY plan in America, to obtain a 529DZ plan in America, to obtain a 529EA plan in America, to obtain a 529EB plan in America, to obtain a 529EC plan in America, to obtain a 529ED plan in America, to obtain a 529EE plan in America, to obtain a 529EF plan in America, to obtain a 529EG plan in America, to obtain a 529EH plan in America, to obtain a 529EI plan in America, to obtain a 529EJ plan in America, to obtain a 529EK plan in America, to obtain a 529EL plan in America, to obtain a 529EM plan in America, to obtain a 529EN plan in America, to obtain a 529EO plan in America, to obtain a 529EP plan in America, to obtain a 529EQ plan in America, to obtain a 529ER plan in America, to obtain a 529ES plan in America, to obtain a 529ET plan in America, to obtain a 529EU plan in America, to obtain a 529EV plan in America, to obtain a 529EW plan in America, to obtain a 529EX plan in America, to obtain a 529EY plan in America, to obtain a 529EZ plan in America, to obtain a 529FA plan in America, to obtain a 529FB plan in America, to obtain a 529FC plan in America, to obtain a 529FD plan in America, to obtain a 529FE plan in America, to obtain a 529FF plan in America, to obtain a 529FG plan in America, to obtain a 529FH plan in America, to obtain a 529FI plan in America, to obtain a 529FJ plan in America, to obtain a 529FK plan in America, to obtain a 529FL plan in America, to obtain a 529FM plan in America, to obtain a 529FN plan in America, to obtain a 529FO plan in America, to obtain a 529FP plan in America, to obtain a 529FQ plan in America, to obtain a 529FR plan in America, to obtain a 529FS plan in America, to obtain a 529FT plan in America, to obtain a 529FU plan in America, to obtain a 529FV plan in America, to obtain a 529FW plan in America, to obtain a 529FX plan in America, to obtain a 529FY plan in America, to obtain a 529FZ plan in America, to obtain a 529GA plan in America, to obtain a 529GB plan in America, to obtain a 529GC plan in America, to obtain a 529GD plan in America, to obtain a 529GE plan in America, to obtain a 529GF plan in America, to obtain a 529GG plan in America, to obtain a 529GH plan in America, to obtain a 529GI plan in America, to obtain a 529GJ plan in America, to obtain a 529GK plan in America, to obtain a 529GL plan in America, to obtain a 529GM plan in America, to obtain a 529GN plan in America, to obtain a 529GO plan in America, to obtain a 529GP plan in America, to obtain a 529GQ plan in America, to obtain a 529GR plan in America, to obtain a 529GS plan in America, to obtain a 529GT plan in America, to obtain a 529GU plan in America, to obtain a 529GV plan in America, to obtain a 529GW plan in America, to obtain a 529GX plan in America, to obtain a 529GY plan in America, to obtain a 529GZ plan in America, to obtain a 529HA plan in America, to obtain a 529HB plan in America, to obtain a 529HC plan in America, to obtain a 529HD plan in America, to obtain a 529HE plan in America, to obtain a 529HF plan in America, to obtain a 529HG plan in America, to obtain a 529HH plan in America, to obtain a 529HI plan in America, to obtain a 529HJ plan in America, to obtain a 529HK plan in America, to obtain a 529HL plan in America, to obtain a 529HM plan in America, to obtain a 529HN plan in America, to obtain a 529HO plan in America, to obtain a 529HP plan in America, to obtain a 529HQ plan in America, to obtain a 529HR plan in America, to obtain a 529HS plan in America, to obtain a 529HT plan in America, to obtain a 529HU plan in America, to obtain a 529HV plan in America, to obtain a 529HW plan in America, to obtain a 529HX plan in America, to obtain a 529HY plan in America, to obtain a 529HZ plan in America, to obtain a 529IA plan in America, to obtain a 529IB plan in America, to obtain a 529IC plan in America, to obtain a 529ID plan in America, to obtain a 529IE plan in America, to obtain a 529IF plan in America, to obtain a 529IG plan in America, to obtain a 529IH plan in America, to obtain a 529II plan in America, to obtain a 529IJ plan in America, to obtain a 529IK plan in America, to obtain a 529IL plan in America, to obtain a 529IM plan in America, to obtain a 529IN plan in America, to obtain a 529IO plan in America, to obtain a 529IP plan in America, to obtain a 529IQ plan in America, to obtain a 529IR plan in America, to obtain a 529IS plan in America, to obtain a 529IT plan in America, to obtain a 529IU plan in America, to obtain a 529IV plan in America, to obtain a 529IW plan in America, to obtain a 529IX plan in America, to obtain a 529IY plan in America, to obtain a 529IZ plan in America, to obtain a 529JA plan in America, to obtain a 529JB plan in America, to obtain a 529JC plan in America, to obtain a 529JD plan in America, to obtain a 529JE plan in America, to obtain a 529JF plan in America, to obtain a 529JG plan in America, to obtain a 529JH plan in America, to obtain a 529JI plan in America, to obtain a 529JJ plan in America, to obtain a 529JK plan in America, to obtain a 529JL plan in America, to obtain a 529JM plan in America, to obtain a 529JN plan in America, to obtain a 529JO plan in America, to obtain a 529JP plan in America, to obtain a 529JQ plan in America, to obtain a 529JR plan in America, to obtain a 529JS plan in America, to obtain a 529JT plan in America, to obtain a 529JU plan in America, to obtain a 529JV plan in America, to obtain a 529JW plan in America, to obtain a 529JX plan in America, to obtain a 529JY plan in America, to obtain a 529JZ plan in America, to obtain a 529KA plan in America, to obtain a 529KB plan in America, to obtain a 529KC plan in America, to obtain a 529KD plan in America, to obtain a 529KE plan in America, to obtain a 529KF plan in America, to obtain a 529KG plan in America, to obtain a 529KH plan in America, to obtain a 529KI plan in America, to obtain a 529KJ plan in America, to obtain a 529KK plan in America, to obtain a 529KL plan in America, to obtain a 529KM plan in America, to obtain a 529KN plan in America, to obtain a 529KO plan in America, to obtain a 529KP plan in America, to obtain a 529KQ plan in America, to obtain a 529KR plan in America, to obtain a 529KS plan in America, to obtain a 529KT plan in America, to obtain a 529KU plan in America, to obtain a 529KV plan in America, to obtain a 529KW plan in America, to obtain a 529KX plan in America, to obtain a 529KY plan in America, to obtain a 529KZ plan in America, to obtain a 529LA plan in America, to obtain a 529LB plan in America, to obtain a 529LC plan in America, to obtain a 529LD plan in America, to obtain a 529LE plan in America, to obtain a 529LF plan in America, to obtain a 529LG plan in America, to obtain a 529LH plan in America, to obtain a 529LI plan in America, to obtain a 529LJ plan in America, to obtain a 529LK plan in America, to obtain a 529LL plan in America, to obtain a 529LM plan in America, to obtain a 529LN plan in America, to obtain a 529LO plan in America, to obtain a 529LP plan in America, to obtain a 529LQ plan in America, to obtain a 529LR plan in America, to obtain a 529LS plan in America, to obtain a 529LT plan in America, to obtain a 529LU plan in America, to obtain a 529LV plan in America, to obtain a 529LW plan in America, to obtain a 529LX plan in America, to obtain a 529LY plan in America, to obtain a 529LZ plan in America, to obtain a 529MA plan in America, to obtain a 529MB plan in America, to obtain a 529MC plan in America, to obtain a 529MD plan in America, to obtain a 529ME plan in America, to obtain a 529MF plan in America, to obtain a 529MG plan in America, to obtain a 529MH plan in America, to obtain a 529MI plan in America, to obtain a 529MJ plan in America, to obtain a 529MK plan in America, to obtain a 529ML plan in America, to obtain a 529MN plan in America, to obtain a 529MO plan in America, to obtain a 529MP plan in America, to obtain a 529MQ plan in America, to obtain a 529MR plan in America, to obtain a 529MS plan in America, to obtain a 529MT plan in America, to obtain a 529MU plan in America, to obtain a 529MV plan in America, to obtain a 529MW plan in America, to obtain a 529MX plan in America, to obtain a 529MY plan in America, to obtain a 529MZ plan in America, to obtain a 529NA plan in America, to obtain a 529NB plan in America, to obtain a 529NC plan in America, to obtain a 529ND plan in America, to obtain a 529NE plan in America, to obtain a 529NF plan in America, to obtain a 529NG plan in America, to obtain a 529NH plan in America, to obtain a 529NI plan in America, to obtain a 529NJ plan in America, to obtain a 529NK plan in America, to obtain a 529NL plan in America, to obtain a 529NM plan in America, to obtain a 529NO plan in America, to obtain a 529NP plan in America, to obtain a 529NQ plan in America, to obtain a 529NR plan in America, to obtain a 529NS plan in America, to obtain a 529NT plan in America, to obtain a 529NU plan in America, to obtain a 529NV plan in America, to obtain a 529NW plan in America, to obtain a 529NX plan in America, to obtain a 529NY plan in America, to obtain a 529NZ plan in America, to obtain a 529OA plan in America, to obtain a 529OB plan in America, to obtain a 529OC plan in America, to obtain a 529OD plan in America, to obtain a 529OE plan in America, to obtain a 529OF plan in America, to obtain a 529OG plan in America, to obtain a 529OH plan in America, to obtain a 529OI plan in America, to obtain a 529OJ plan in America, to obtain a 529OK plan in America, to obtain a 529OL plan in America, to obtain a 529OM plan in America, to obtain a 529ON plan in America, to obtain a 529OO plan in America, to obtain a 529OP plan in America, to obtain a 529OQ plan in America, to obtain a 529OR plan in America, to obtain a 529OS plan in America, to obtain a 529OT plan in America, to obtain a 529OU plan in America, to obtain a 529OV plan in America, to obtain a 529OW plan in America, to obtain a 529OX plan in America, to obtain a 529OY plan in America, to obtain a 529OZ plan in America, to obtain a 529PA plan in America, to obtain a 529PB plan in America, to obtain a 529PC plan in America, to obtain a 529PD plan in America, to obtain a 529PE plan in America, to obtain a 529PF plan in America, to obtain a 529PG plan in America, to obtain a 529PH plan in America, to obtain a 529PI plan in America, to obtain a 529PJ plan in America, to obtain a 529PK plan in America, to obtain a 529PL plan in America, to obtain a 529PM plan in America, to obtain a 529PN plan in America, to obtain a 529PO plan in America, to obtain a 529PP plan in America, to obtain a 529PQ plan in America, to obtain a 529PR plan in America, to obtain a 529PS plan in America, to obtain a 529PT plan in America, to obtain a 529PU plan in America, to obtain a 529PV plan in America, to obtain a 529PW plan in America, to obtain a 529PX plan in America, to obtain a 529PY plan in America, to obtain a 529PZ plan in America, to obtain a 529QA plan in America, to obtain a 529QB plan in America, to obtain a 529QC plan in America, to obtain a 529QD plan in America, to obtain a 529QE plan in America, to obtain a 529QF plan in America, to obtain a 529QG plan in America, to obtain a 529QH plan in America, to obtain a 529QI plan in America, to obtain a 529QJ plan in America, to obtain a 529QK plan in America, to obtain a 529QL plan in America, to obtain a 529QM plan in America, to obtain a 529QN plan in America, to obtain a 529QO plan in America, to obtain a 529QP plan in America, to obtain a 529QQ plan in America, to obtain a 529QR plan in America, to obtain a 529QS plan in America, to obtain a 529QT plan in America, to obtain a 529QU plan in America, to obtain a 529QV plan in America, to obtain a 529QW plan in America, to obtain a 529QX plan in America, to obtain a 529QY plan in America, to obtain a 529QZ plan in America, to obtain a 529RA plan in America, to obtain a 529RB plan in America, to obtain a 529RC plan in America, to obtain a 529RD plan in America, to obtain a 529RE plan in America, to obtain a 529RF plan in America, to obtain a 529RG plan in America, to obtain a 529RH plan in America, to obtain a 529RI plan in America, to obtain a 529RJ plan in America, to obtain a 529RK plan in America, to obtain a 529RL plan in America, to obtain a 529RM plan in America, to obtain a 529RN plan in America, to obtain a 529RO plan in America, to obtain a 529RP plan in America, to obtain a 529RQ plan in America, to obtain a 529RR plan in America, to obtain a 529RS plan in America, to obtain a 529RT plan in America, to obtain a 529RU plan in America, to obtain a 529RV plan in America, to obtain a 529RW plan in America, to obtain a 529RX plan in America, to obtain a 529RY plan in America, to obtain a 529RZ plan in America, to obtain a 529SA plan in America, to obtain a 529SB plan in America, to obtain a 529SC plan in America, to obtain a 529SD plan in America, to obtain a 529SE plan in America, to obtain a 529SF plan in America, to obtain a 529SG plan in America, to obtain a 529SH plan in America, to obtain a 529SI plan in America, to obtain a 529SJ plan in America, to obtain a 529SK plan in America, to obtain a 529SL plan in America, to obtain a 529SM plan in America, to obtain a 529SN plan in America, to obtain a 529SO plan in America, to obtain a 529SP plan in America, to obtain a 529SQ plan in America, to obtain a 529SR plan in America, to obtain a 529SS plan in America, to obtain a 529ST plan in America, to obtain a 529SU plan in America, to obtain a 529SV plan in America, to obtain a 529SW plan in America, to obtain a 529SX plan in America, to obtain a 529SY plan in America, to obtain a 529SZ plan in America, to obtain a 529TA plan in America, to obtain a 529TB plan in America, to obtain a 529TC plan in America, to obtain a 529TD plan in America, to obtain a 529TE plan in America, to obtain a 529TF plan in America, to obtain a 529TG plan in America, to obtain a 529TH plan in America, to obtain a 529TI plan in America, to obtain a 529TJ plan in America, to obtain a 529TK plan in America, to obtain a 529TL plan in America, to obtain a 529TM plan in America, to obtain a 529TN plan in America, to obtain a 529TO plan in America, to obtain a 529TP plan in America, to obtain a 529TQ plan in America, to obtain a 529TR plan in America, to obtain a 529TS plan in America, to obtain a 529TT plan in America, to obtain a 529TU plan in America, to obtain a 529TV plan in America, to obtain a 529TW plan in America, to obtain a 529TX plan in America, to obtain a 529TY plan in America, to obtain a 529TZ plan in America, to obtain a 529UA plan in America, to obtain a 529UB plan in America, to obtain a 529UC plan in America, to obtain a 529UD plan in America, to obtain a 529UE plan in America, to obtain a 529UF plan in America, to obtain a 529UG plan in America, to obtain a 529UH plan in America, to obtain a 529UI plan in America, to obtain a 529UJ plan in America, to obtain a 529UK plan in America, to obtain a 529UL plan in America, to obtain a 529UM plan in America, to obtain a 529UN plan in America, to obtain a 529UO plan in America, to obtain a 529UP plan in America, to obtain a 529UQ plan in America, to obtain a 529UR plan in America, to obtain a 529US plan in America, to obtain a 529UT plan in America, to obtain a 529UU plan in America, to obtain a 529UV plan in America, to obtain a 529UW plan in America, to obtain a 529UX plan in America, to obtain a 529UY plan in America, to obtain a 529UZ plan in America, to obtain a 529VA plan in America, to obtain a 529VB plan in America, to obtain a 529VC plan in America, to obtain a 529VD plan in America, to obtain a 529VE plan in America, to obtain a 529VF plan in America, to obtain a 529VG plan in America, to obtain a 529VH plan in America, to obtain a 529VI plan in America, to obtain a 529VJ plan in America, to obtain a 529VK plan in America, to obtain a 529VL plan in America, to obtain a 529VM plan in America, to obtain a 529VN plan in America, to obtain a 529VO plan in America, to obtain a 529VP plan in America, to obtain a 529VQ plan in America, to obtain a 529VR plan in America, to obtain a 529VS plan in America, to obtain a 529VT plan in America, to obtain a 529VU plan in America, to obtain a 529VV plan in America, to obtain a 529VW plan in America, to obtain a 529VX plan in America, to obtain a 529VY plan in America, to obtain a 529VZ plan in America, to obtain a 529WA plan in America, to obtain a 529WB plan in America, to obtain a 529WC plan in America, to obtain a 529WD plan in America, to obtain a 529WE plan in America, to obtain a 529WF plan in America, to obtain a 529WG plan in America, to obtain a 529WH plan in America, to obtain a 529WI plan in America, to obtain a 529WJ plan in America, to obtain a 529WK plan in America, to obtain a 529WL plan in America, to obtain a 529WM plan in America, to obtain a 529WN plan in America, to obtain a 529WO plan in America, to obtain a 529WP plan in America, to obtain a 529WQ plan in America, to obtain a 529WR plan in America, to obtain a 529WS plan in America, to obtain a 529WT plan in America, to obtain a 529WU plan in America, to obtain a 529WV plan in America, to obtain a 529WW plan in America, to obtain a 529WX plan in America, to obtain a 529WY plan in America, to obtain a 529WZ plan in America, to obtain a 529XA plan in America, to obtain a 529XB plan in America, to obtain a 529XC plan in America, to obtain a 529XD plan in America, to obtain a 529XE plan in America, to obtain a 529XF plan in America, to obtain a 529XG plan in America, to obtain a 529XH plan in America, to obtain a 529XI plan in America, to obtain a 529XJ plan in America, to obtain a 529XK plan in America, to obtain a 529XL plan in America, to obtain a 529XM plan in America, to obtain a 529XN plan in America, to obtain a 529XO plan in America, to obtain a 529XP plan in America, to obtain a 529XQ plan in America, to obtain a 529XR plan in America, to obtain a 529XS plan in America, to obtain a 529XT plan in America, to obtain a 529XU plan in America, to obtain a 529XV plan in America, to obtain a 529XW plan in America, to obtain a 529XX plan in America, to obtain a 529XY plan in America, to obtain a 529XZ plan in America, to obtain a 529YA plan in America, to obtain a 529YB plan in America, to obtain a 529YC plan in America, to obtain a 529YD plan in America, to obtain a 529YE plan in America, to obtain a 529YF plan in America, to obtain a 529YG plan in America, to obtain a 529YH plan in America, to obtain a 529YI plan in America, to obtain a 529YJ plan in America, to obtain a 529YK plan in America, to obtain a 529YL plan in America, to obtain a 529YM plan in America, to obtain a 529YN plan in America, to obtain a 529YO plan in America, to obtain a 529YP plan in America, to obtain a 529YQ plan in America, to obtain a 529YR plan in America, to obtain a 529YS plan in America, to obtain a 529YT plan in America, to obtain a 529YU plan in America, to obtain a 529YV plan in America, to obtain a 529YW plan in America, to obtain a 529YX plan in America, to obtain a 529YY plan in America, to obtain a 529YZ plan in America, to obtain a 529ZA plan in America, to obtain a 529ZB plan in America, to obtain a 529ZC plan in America, to obtain a 529ZD plan in America, to obtain a 529ZE plan in America, to obtain a 529ZF plan in America, to obtain a 529ZG plan in America, to obtain a 529ZH plan in America, to obtain a 529ZI plan in America, to obtain a 529ZJ plan in America, to obtain a 529ZK plan in America, to obtain a 529ZL plan in America, to obtain a 529ZM plan in America, to obtain a 529ZN plan in America, to obtain a 529ZO plan in America, to obtain a 529ZP plan in America, to obtain a 529ZQ plan in America, to obtain a 529ZR plan in America, to obtain a 529ZS plan in America, to obtain a 529ZT plan in America, to obtain a 529ZU plan in America, to obtain a 529ZV plan in America, to obtain a 529ZW plan in America, to obtain a 529ZX plan in America, to obtain a 529ZY plan in America, to obtain a 529ZZ plan in America.

### KWIKFORM NORGE A/S

**NEEDS PRODUCTS for the SCANDINAVIAN CONSTRUCTION INDUSTRY!**

The manufacturers and suppliers of the world's foremost scaffolding and support system KWIKSTAGE have the capacity and organisation to sell and hire additional products within Scandinavia.

The well-established offices and depot in Sandefjord, Norway, forms a base for our Sales and Service operations in Scandinavia, and if you are interested in lively, enthusiastic representation and feel your products are suitable we invite you to exchange information with us.

Please write with fullest details in the first instance to:

Kwikform Norge A/S, P.O. Box 1250, Krokkmoen, Pindstevn, 13a, 3201 Sandefjord, Norway.

### AUTOMOTIVE AND AGRICULTURAL PRODUCTS

Subsidiary of UK public company with substantial national sales force and distribution fleet, manufacturing and marketing a wide range of lubricants, greases, fuel additives, etc. to the automotive and agricultural industries, seeks agencies for additional volume products to market throughout the UK on an exclusive basis.

Interested principals should contact the Chairman  
Box G4036, Financial Times, 10 Cannon Street, EC4P 4BY

### DUKE STREET BROKERS LIMITED

Model Railway Control Manufacturers (S.W. Midlands). Small L/A but trading 15 years. About £5,000 is now needed for expansion - equity and involvement offered.

Well Known Sports Magazine (London) Estd. 1972. Present circulation 40,000. The need to expand and enhance some earlier management errors requires about £25,000. Substantial equity and the involvement of an experienced businessman would be welcomed.

Professional Engineering Practice (Essex) G.F. 1979 E. £30,000. Founded in 1973 the firm expanded rapidly but has experienced problems. In addition to funds of about £10,000 the involvement of mechanical services engineer (full or part-time) would be welcomed.

**DUKE STREET BROKERS LTD.**  
57 Duke Street, London W1M 5DH - 01-496 2111/629 2531

### LEASING FACILITIES REQUIRED

Expanding private Group of Companies has available a continuing demand for Leasing facilities for a wide range of customers in amounts from £10,000 to £100,000. Block discounting facilities will also be considered.

We are particularly interested to hear from Corporate and Private Lessors requiring direct business on a continuing basis.

Write Box G3868, Financial Times, 10 Cannon Street, EC4P 4BY

### FRANCE—EXPORTS

Experienced French company director seeks agencies for industrial products or equipment. Excellent contacts. Fluent English. Opportunity for British Companies seeking to introduce quality products to French industry.

Write Box G4033, Financial Times, 10 Cannon Street, EC4P 4BY

### LUXURY MOTOR YACHT

available for immediate chartering NEW 30 FOOT, 6 BERTH 'OCEAN' CLASS self drive or Skipped as required

**MOORED WINDSOR**  
Apply for further details to:  
The Secretary, Rochester Investments Ltd.  
1 Market Street, Worthing, Sussex

### Sales Leads

For your unique introduction to all new companies formed

contact: David Parsons  
0222-371901

**Jordans**  
44 Whitehorse Road Cardiff

### GLOBEWIDE FINANCE LIMITED

ARE ABLE TO OFFER Residential Mortgages of up to £500,000, Commercial and Corporate lending up to £5,000,000.

Large-scale financing facilities and bridging finance are also available. Principals only should write to:

111a Westborough Grove London SW1W 0JW  
Tel: 01-727 6474

### Private Company MANUFACTURING PLASTIC PRODUCTS

with turnover of £10m wishes to acquire interest or merge with another, to fully utilize marketing production and R & D expertise. Large premises in S.E. available as a national distribution network.

Write Box G4037, Financial Times 10 Cannon Street, EC4P 4BY

### Manufacturing or Distribution

American manufacturer with own sales and distribution network mainly in the hotel, brewery and catering fields, would like to make contact with companies or interested parties willing to expand in this market. Products not related will also be considered. Please contact Mike Dwyer, Director of the USACATER exhibition, West Centre Hotel, 15th to 22nd, Telephone number 01-285 2255 or write to Zyvec International, 110 Atlantic Drive, Metairie, Florida 32751, USA.

### Merchant Bankers

with current profits exceeding £500,000 per annum would consider merger with similar or larger organisation. Write in strictest confidence to:

Box G4030, Financial Times 10 Cannon Street, EC4P 4BY

### MINING INDUSTRY

Small company supplying vital alloys to Aerospace in Europe has ready for the mining industry an advanced tech. system meeting a known urgent need. We wish to talk to you about this. Contact us if you are interested in this or any other advanced areas of development in Aerospace.

Write Box G4038, Financial Times 10 Cannon Street, EC4P 4BY

### CHIEF EXECUTIVES

Personal and confidential attention offered to companies with interests in or about the following areas:

- Bar East to supplement management or board, creating strategic plans. Director in UK until 20/6/79.
- Director in UK until 20/6/79.
- Director in UK until 20/6/79.

Write for further information to: CH-6312 Steinhilber - Switzerland

### BOARD ROOM ADVICE

British firms already established or planning to be established on the Continent can obtain board level advice on all aspects of operations in Europe without board appointment. Specialist knowledge and operating experience of a very able, senior, executive of Central Europe is available on a time to time basis.

Write for further information to: CH-6312 Steinhilber - Switzerland

### SCALES, WEIGHING & ELECTRONIC COUNTING MACHINES

Rebuilt or new. Fully guaranteed. Keen competitive prices. Sale, lease, hire or rental terms available.

**TODD SCALES LTD.**  
Nuffield Road, Cambridge  
Tel: (0223) 3528/32451

### LIMITED COMPANIES FORMED BY EXPERTS FOR 7/8 INCLUSIVE READY MADE 83 COMPANY SEARCHES

EXPRESS CO. REGISTRATIONS LTD.  
30 City Road, EC1  
01-628 5434/5, 7381, 9338

### GOLFERS! TYPEWRITERS available for immediate hire, lease or sale.

Ring 01-720 2727.

### BUSINESS OPPORTUNITY IN SAUDI ARABIA

**SPONSORSHIP, JOINT VENTURES AND REPRESENTATION SERVICES**

Available to Commercial, Trading, Construction and Industrial concerns.

Interested parties are requested to write:

**AL-SHAER**  
P.O. BOX 8753, RIYADH, SAUDI ARABIA  
TELEX 200296 ZAFEER SJ.

### ESTABLISHING BUSINESS INVESTMENTS IN THE UNITED STATES

A seminar in ATLANTA, GEORGIA, USA  
October 21-22-23, 1979

★ Sponsored by ★  
The National Association of State Development Agencies

For information contact either any United States Consulate, OR  
NASDA, Suite 213, 5205 Leesburg Pike, Falls Church Virginia 22041, USA - Telex: 8778

### DISILLUSIONED WITH THE STOCK MARKET?

Earn a safe 20% year after year AND save tax

Send for free copy of the Leasing Report and find out how.

**LEASING REPORT**  
42-45 New Broad Street, London EC2M 10Y.

### WAREHOUSE/STORAGE CLOSE MI Junc. 8

Engineering company has spare capacity. Full sized including Fork Lift Truck, over-the-counter service, accounting, telephone and telex

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

NLT 'not interested' in Ashland Oil deal

NASHVILLE—NLT Corporation "isn't for sale," Mr. Russell L. Wagner, the chairman said yesterday. According to the insurance holding company "is not interested in any business combination with Ashland Oil of anyone else." He added that the company recognizes its obligation to consider carefully any offer which might be made, but "will resist any unilateral attempt to take over NLT which is illegal or which is at a price which NLT considers inadequate or which otherwise not in our shareholders' best interests."

Decision today on GPU loan

By David Lascelles in New York A GROUP of major banks is to decide today whether to advance several hundred million dollars to General Public Utilities (GPU), owner of the Three Mile Island nuclear plant where an accident in March nearly crippled the company financially. Mr. William Kuhns, the chairman of GPU, has warned that unless the company gets the credit as well as the right to pass on some of the costs to its customers, it faces "dire circumstances" including the possibility of bankruptcy, in the coming months. AP-DJ reports from New Jersey—The New Jersey Board of Public Utilities has granted General Public Utilities a rate boost of about 6.1 per cent to help cover the costs of the accident at the Three Mile Island plant.

Harnischfeger files against Citibank over Paccar bid

BY JOHN WYLES IN NEW YORK

CITIBANK has joined the ranks of lenders accused of misusing confidential information by companies which are the targets of unwelcome takeover bids. In a court suit aimed at blocking Paccar's proposed \$178m tender offer at \$20 a share, Harnischfeger Corporation claims that Citibank, which numbers both companies among its clients, breached its duty of undivided loyalty by advising Paccar to launch the takeover. One of the basic operating principles of U.S. banking is the existence of an "invisible" Chinese Wall "to ensure that information obtained from a customer in one area of a bank's activities will not be used elsewhere. But the effectiveness of the wall has been questioned in an increasing number of takeover cases. At the end of 1977, Continental Illinois Corporation was up in the cross fire of the battle between Humana and American Medicorp. Court rulings in that case apparently established that a bank is free

to deal with any customer who comes to it providing that its services do not rely on confidential information of other customers in its files and that banks should take all necessary steps to minimize the potential for conflicts of interest. Last year, however, a bid for Washington Steel Corporation by Talley Industries was blocked by a federal judge in Pittsburgh who objected to Chemical Bank financing the offer as well as being a lender to Washington Steel. Chemical is pursuing this to appeal, although Talley Industries subsequently dropped its bid. More recently, F. W. Woolworth launched a case against Canadian Imperial Bank of Commerce, claiming that the bank had supplied information to Brascan which was used in launching the Canadian company's unwelcome \$1.13bn bid. CIBC was to lend \$700m to help finance the bid which was withdrawn earlier this month after forces hostile to the takeover gained control of

Brascan. Woolworth has since terminated its borrowing from CIBC whose former chairman, Mr. J. R. Page Wadsworth, is no longer a member of Woolworth's Canadian board. In its case, Harnischfeger notes that Mr. Charles M. Pigott, Paccar's chairman, is a director of Citibank which has been Harnischfeger's principal bank for many years. The suite claims that Paccar retained Citibank to advise on possible takeover candidates and that in October 1977 the bank provided a written analysis on a possible takeover of Harnischfeger. Citibank induced, aided and abetted Paccar's fraudulent scheme to hide from Harnischfeger the fact that Citibank was advising Paccar, partly because Citibank hoped to become the lead bank for the enterprise after the takeover of Harnischfeger," claims the court suit. Citibank said yesterday the charges were "completely unjustified."

Brascan chairman to step down

BY ROBERT GIBBENS IN MONTREAL

MR. J. H. MOORE will resign as chairman and chief executive of the big Toronto holding company, Brascan, following the annual meeting on June 29. Mr. Moore was primarily responsible for Brascan's abortive attempt to take over F. W. Woolworth, the giant New York based merchandiser. However, Edper Equities, con-

trolled two thirds by Peter and Edward Bronfman and one third by the Patino mining family, defeated the Brascan attempt to take over Woolworth and late last week completed the acquisition of 50.1 per cent of Brascan. Edper will now control the Brascan Board and it had been assumed that Mr. Moore would resign. According to an information circular for the annual meeting of Brascan, the representatives of Edper on the Brascan Board "will support the continuation in office of the present officers of the company."

Mr. Peter Bronfman is expected to become chairman of Brascan though the presidency may not change. In fiscal 1978, all the company's major brands had sales increases and improved market shares and all but one had record sales. Jack Daniel's Tennessee whiskey registered a 20 per cent volume gain last year. "While this was gratifying, we weren't anywhere near meeting demand," Jack Daniel's remains on allocation and there will be an increase in supply this year," he said. AP-DJ

Brown-Forman sees profit rise

LOUISVILLE — Brown-Forman Distillers expects to report improved sales and earnings for the fiscal quarter ended April 30, according to Mr. M. L. Lyons Brown, Jr., president and chief executive. In the fiscal 1978 fourth quarter, the company earned \$8.26 or 64 cents a share on sales of \$124.5m. Although final figures are not available, Mr. Brown estimated that per share earnings for the

year "were about \$3.15" compared with \$2.45 in fiscal 1978. Sales exceeded \$50m against \$45.7m the year before. As previously reported, for the nine months net income climbed to \$30.6m or \$2.40 a share from \$23.1m or \$1.80 while sales rose to \$407.9m from \$332.5m. "We're very optimistic about fiscal 1980—barring a severe economic downturn. The trends are going in the right direction."

In fiscal 1979, all the company's major brands had sales increases and improved market shares and all but one had record sales. Jack Daniel's Tennessee whiskey registered a 20 per cent volume gain last year. "While this was gratifying, we weren't anywhere near meeting demand," Jack Daniel's remains on allocation and there will be an increase in supply this year," he said. AP-DJ

INTERNATIONAL CAPITAL MARKETS

China asks Japan for loan

By Our Euromarkets Staff

CHINA HAS formally asked Japan for a Government loan to help finance its big industrial modernisation programme, according to the Japanese Foreign Ministry. The request was made in Peking to Mr. Kensuke Yanagida, Director-General of the Ministry's Asian Affairs Bureau. The Ministry in Tokyo yesterday gave no details of how much the loan would be. But it noted that such loans are normally denominated in yen. The Japanese Export-Import Bank has already signed a yen loan equivalent to \$2bn with Commercial banks in Japan on basic conditions for a \$2bn loan and \$6m finance facility for Peking. The Bulgarian Foreign Trade Bank is to raise DM 150m through a 10-year Euro-currency credit, according to Badische Kommanale Landesbank International, the joint lead manager. The credit will carry a 3 per cent point spread over interbank rates for the first six years, and thereafter.

Attention shifts to D-Mark as dollar rally fades

BY FRANCIS GHILES

THE RALLY witnessed in the dollar sector of the bond market over the past few weeks is running out of steam. Prices of most straight issues were unchanged yesterday, but trading activity was described by most dealers as being at a low ebb. Attention has shifted to the Deutsche-Mark sector where Westdeutsche Landesbank was able to announce both a reduction in the coupon on the issue it is arranging for Norges Kommunalbank, from an indicated 8 per cent to 7 1/2 per cent, and an increase in the amount of the issue from DM 100m to DM 150m. Such an increase is only possible after the lead manager has informally consulted the German capital markets sub-committee which meets at monthly intervals to determine the new issue calendar for Deutsche-Mark bonds. Less than two weeks ago, the sub-committee decided to limit the new issue calendar for June to one issue. A second issue for the Inter-American Development Bank which does not technically need to be included

in the calendar because of its supranational status, was arranged last week. Now there are rumours of a further issue, possibly for the World Bank. The turnaround in the DM sector has been very swift. When the sector was depressed last month and until the early part of June there was evidence that the Swiss, French and Belgian banks were picking up DM-denominated paper, both in the form of foreign and domestic bonds, cheaply. The interest in buying DM paper has now spread, and although prices edged up only slightly yesterday, all participants agreed the market was very firm. In the dollar sector, two French banks are issuing Floater Rate Notes. Société Générale is sole lead manager for a \$50m 12-year issue for itself. It is offering an interest rate of 1 per cent over the mean of the bid and offered three-month interbank rate. Meanwhile, Banque de l'Indochine and de Suez is floating a \$40m FRN. The borrower is offering an

interest rate of 1 per cent over the six-month Libor rate with minimum coupon of 3/4 per cent. The issue has a bullet maturity of 10 years. Industries is launching its own issue. Three foreign borrowers were planning in Oest 1/2 denominated bonds, on Japanese capital market 1 month have decided to postpone their plans following the new weakness of the Japanese domestic bond market and rise in domestic Japanese interest rates. The Finnish electric power company Imatran Voima, which had already last month postponed its planned issue, now does so indefinitely. A borrower has been followed by the governments of Thailand and New Zealand, which both also postponed the issue they were planning in Brazil's Eletrobras is expected to postpone a \$100m issue it was planning to issue next month. In the Swiss Franc sector, prices of seasoned issues were steady yesterday with some gains on some names.

MAIBL chief slams new trend

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

EuroCURRENCY borrowers who are increasingly tending to demand renegotiation of loan terms to reflect improved market conditions come in for severe criticism from Lord Armstrong, chairman of MAIBL, the consortium bank in which Midland Bank has a substantial stake. Lord Armstrong says that competitive conditions have intensified in international markets. "In addition to downward pressure on margins and a general lengthening of new loan maturities, we have seen an increasing number of borrowers wishing to renegotiate loans to reflect these changes and, for them, improved market conditions. Where there was a contrac-

tual right to repay loans early, renegotiation was understandable. "However, where there are no such rights, it is a very different matter, particularly as the margin is such a relatively small part of the overall cost of a loan at current interest levels. One can imagine the reaction if the lending banks were to seek to break their contractual commitments when market conditions were changing in their favour." It is understood that countries such as Mexico are the principal negotiators Lord Armstrong has in mind. MAIBL has reported disclosed profit of £4.4m (\$9.5m) after all deductions and transfers and secret reserves, against £3.8m

last time. However, Mr. officials admit these figures exaggerate the extent of improvement since the balance in the process of disclosure "full disclosure" process will be completed next year when true profits will be revealed. A rough guide to profits for the year may be provided by MAIBL's last activity, which is up from £14.3m to £14.3m. This increase is needed partly to shelter corporation tax at £12m arising from the disposal of shareholdings in over 200 companies during the year—which has been tax secret reserve.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on June 18.

Table with columns: U.S. DOLLAR, DEUTSCHE MARK, OTHER STRAIGHTS, FLUATING RATE, and CONVERTIBLE BONDS. Lists various bond issues with their respective prices and yields.

Bell Canada challenges ruling

ST. ANDREWS—Bell Canada has asked the Federal Cabinet to review a decision by the Canadian Radio-Television Telecommunications Commission (CRTC) which would permit CNCP Telecommunications to use its telephone lines for transmissions. Last May the CRTC ruled that CNCP, owned jointly by Canadian National Railways and Canadian Pacific, could use the lines. However, Bell Canada and eight other telephone companies in Canada submitted appeals. Mr. Fred Ibery, executive vice-president with Bell Canada, said if the CRTC decision is allowed to stand, it would be irreversible and would change the future of telecommunications in Canada. Mr. Robert Munro, a lawyer for Canadian Pacific, said the company has not yet had time to study Bell Canada's submission to the Federal Cabinet. Reuter

Touche Ross Court victory

WASHINGTON — The Supreme Court has ruled that the customers of a brokerage house do not have the right to sue an accounting firm for certifying misleading financial statements by the securities broker. The Court, banding a victory to Touche Ross, overturned a lower Court ruling that the Securities Investor Protection Corporation and the trustee of Weiss Securities, a defunct brokerage firm, could sue for damages on behalf of Weiss customers who lost cash or securities in the collapse. The Court ruled 7-1 that the provision of Federal Securities Law concerning broker-dealer recordkeeping and reporting does not give private parties any right to sue for damages allegedly caused by violation of the provision. AP-DJ

Anken stake

Rhone Poulenc Inc., a wholly-owned subsidiary of Rhone-Poulenc, the French group, now has about 1,054,000 shares or about 89.4 per cent of the common stock of Anken Industries, tendered under its offer for all shares at \$23 each. Reuter reports from Monmouth. The offer is being extended to July 19.

Bank takeover

Heritage Bancorp has agreed in principle to acquire Coastal States Bank of Ocean City through a subsidiary for \$62.5 a share. Reuter reports from Cherry Hill. The deal is worth some \$8m. Coastal holds about \$64m in total assets.

Advertisement for C.V.G. SIDERURGICA DEL ORINOCO, C.A. featuring the SIDOR logo and details of a US \$250,000,000 MEDIUM TERM LOAN arranged by BARCLAYS INTERNATIONAL GROUP and N. M. ROTHSCHILD & SONS LIMITED. Lists various banks as agents.

Handwritten signature: J. J. ...

COMPANIES AND MARKETS: INTL. COMPANIES and FINANCE

Five month upsurge for Olivetti

BY RUPERT CORNWELL IN ROME
LIVETTI, the electronics and office equipment group, yesterday reported a jump of more than half in parent company turnover and an improved profit...

of Olivetti, after the major debt reorganisation programme put into effect over the past year. In 1978, for the fourth time running, the company failed to pay a dividend after suffering a drop in group profits to L2.1bn from L3.5bn in 1977, despite significant sales of fixed assets.

share from L80 in the previous financial year. Net profit declined to L6.9bn (\$8.1m) from L10.1bn, despite net proceeds of L26.5bn (\$31m) from the sale of the famous Pirelli skyscraper in Milan in the Lombardy regional authorities...

recent sharp rise in labour costs within Italy. Interbanca, a medium term credit bank, is making a L800m bond issue with a floating interest rate. Reuter reports from Milan. The issue will have a maturity of five years and be issued at par.

Electrolux in Canadian saw deal

BY VICTOR KAYFETZ IN STOCKHOLM
ELECTROLUX, the Swedish home appliance, office equipment and machinery group, disclosed yesterday that it was trying to buy control of Canadian power saw manufacturer Pioneer for roughly \$20m (\$4.6m).

A preliminary agreement signed with one owner but concerns less than 50 per cent of the shares in the Montreal-based company, and negotiations with other owners are continuing, according to Electrolux.

Stockholm press reports yesterday suggested that Electrolux had reached agreement on purchase of half the shares in Pioneer, which has 300 employees and produces about 1,000 saws annually for the American, European and Japanese markets.

the purchase goes through will increase the power saw capacity of Electrolux to 1,000 units per year, giving more than one-sixth share of total world market. The deal requires approval both Swedish and Canadian authorities, and Electrolux hopes that the change of ownership in Ottawa may speed some delays.

In the past two years Electrolux has acquired the main saw manufacturers of the USA - Husqvarna, Jonsered and Partisan - and is now Scandinavia's largest company in this field, with North America as its biggest market.

Demand rising for Merck

GUY HAWTHORN IN FRANKFURT
CK GROUP, one of West Germany's leading pharmaceutical manufacturers, reports a 5 per cent increase in world sales for the first four months of the year.

New U.S. owner for French bank

PARIS - Agreement in principle has been reached for General Motors Acceptance Corporation of the U.S. to acquire a controlling interest in Banque Radio-Fiduciaire, a French private bank owned by Cie Francaise Phillips.

Setback for German retailer

BY ROGER BOYES IN BONN
LEADING West German department store group Karstadt reported a sharp decline in profits last year and expects only a slight recovery in margins during 1979.

The group, as one director put it, is still suffering from digestion problems. When Karstadt took over the Neckermann group two years ago, it believed it would be able to turn the ailing department store and mail order group into a profitable concern by the end of 1979. This now looks extremely unlikely.

Karstadt's profits dropped from DM 70m in 1977 to DM 66.2m last year, a level considerably less than half of the 1975 peak of DM 152m. After Neckermann's losses of DM 40m are taken into account, overall group profits dropped to DM 24m (\$12.7m).

The takeover of Neckermann increased selling space from 1.1m square metres to 1.2m square metres in 1978 but in real terms sales fell slightly. According to Dr. Walter Deuss, board member, this was due to "unforeseen personnel problems."

Karstadt expects the Spanish hotel strike and future rises in fuel prices to bite into the margins of the travel branch, N. U. R. Neckermann Reisen during 1979.

Beiersdorf, a leading West German manufacturer of cosmetic, pharmaceutical and adhesive products confidently expects good results from 1979 after a sales rise of 12.5 per cent in the first five months. In fact Beiersdorf expects worldwide sales to rise by 11 per cent in 1979 from the DM1.4bn achieved in 1978.

Sales increase at Ruhrkohle

BY OUR BONN STAFF
RUHRKOHLE, West Germany's principal producer of hard coal, is urging the Government to consider a greater role for coal in the solution of the country's energy problems.

This emerged from a speech by Dr. Karo Kartheis Bund, Ruhrkohle chairman, in which he announced a 10 per cent increase in sales during 1978.

Dr. Bund said that coal and nuclear power were complementary sources of energy and that together they constituted the answer to the energy difficulties likely to be faced in the 1980s.

The world's coal, he said, was underexploited. Despite the existence of 900bn tonnes of hard coal reserves, annual consumption was only 8.4bn tonnes

thus the reserves alone should be able to account for several decades of restrained energy consumption, quite apart from the possibilities of coal liquefaction projects.

Ruhrkohle reached a "balanced" result last year after 1977 losses of DM 10m, which were carried over to the 1978 account. The turnaround was partly brought about by continuing high government subsidies, but the key factor appeared to be a 10.4 per cent rise in overall sales boosted by the upswing in the steel industry.

Over 64n tonnes of coal and coke was sold last year and 67n tonnes is expected to be sold during 1979. Stocks of unsold coal at the pithead are expected

to fall by about 50 per cent to 12n tonnes by the end of 1979. Coal should reap pricing benefits from the increasing cost of other energy sources, Dr. Bund said. Both industrial and domestic heating oil were now substantially more expensive than coal.

Ruhrkohle, to overcome government doubts about the possible ecological side-effects of coal, has launched a large research programme which will investigate ways of developing further smokeless fuels as well as more sophisticated firing techniques.

New research spending has been increased from DM 264m to DM 400m (\$211.5m), buoyed again by government subsidies.

Norsk Hydro planning fertiliser acquisition

BY FAY GASTER IN OSLO
NORSK HYDRO, Norway's largest industrial concern, is planning to acquire a Belgian-Dutch fertiliser company - Compagnie Neerlandaise de l'Azote (CNA) - with an annual turnover of around \$200m.

An announcement in Oslo said that if the deal was approved by the companies concerned, the formal transfer would take place in the early autumn. The largest present owners of CNA are Italy's Montedison (69 per cent) and ICI (25 per cent). By acquiring CNA, Hydro expects to strengthen its position as an international manufacturer of fertiliser products. It believes the move would also benefit sales of fertiliser products from its Norwegian plants.

CNA, with manufacturing facilities in South Holland,

obtains its raw materials from the Groningen gas field. Hydro says that if it acquires the company it will study the possibility of using natural gas from the Norwegian sector of the North Sea.

Annual production capacity at CNA includes 700,000 tonnes of ammonia, 880,000 tonnes of nitric acid, 730,000 tonnes of urea, 400,000 tonnes of calcium ammonium nitrate and 400,000 tonnes of ammonium nitrate. The interim turnover of Norsk shows growth in turnover of 18 per cent for the company for the four months to April, and improved sales for all of the main divisions except electronics, writes Lance Keyworth from Helsinki. Norsk's sales rose to FM 765m (\$191m) compared with FM 651m a year ago.

Higher sales at Turkish builder

BY METHI MUNIR IN ANKARA
TURKEY'S Sezal Turkes-Feyzl Akkaya group, the country's biggest construction conglomerate which has contracts in North Africa and the Middle East, reports record turnover of \$106m in 1978, an increase of 18 per cent.

The group, which carries the names of the two engineers who set it up in 1938, contains 14 companies. It employs nearly 7,000.

The Sezal Turkes-Feyzl Akkaya construction company is the biggest in the group, accounting for nearly half of total turnover. This company has four contracts in Libya amounting to \$280m, including the two stages of the Tripoli harbour expansion, construction of harbour, quay and piers for the Sidi Blal naval port and the Tripoli Fiat car factory. The \$12m contracts in Saudi Arabia include pedestrian tunnels and a jetty construction.

Temel Engineering, which is a member of the group, is building energy transmission lines in Abu Dhabi. The contract is worth DM 400m. The group's main contracts in Turkey embrace harbour, jetty and marina construction.

REIGNING BANKS IN SPAIN: Persistent calls for less state control

DRD - Foreign banks are being urged to help the government to challenge large and entrenched domestic competitors. "We've only come here to act of faith that the government will remove some of the restrictions that make it difficult to lend foreign currencies or obtain pesetas and us to turn a profit," said general manager of a leading bank.

Spanish banks have long enjoyed "protection" and will not readily give up their privileged position. "Spanish banks aren't the most efficient in the world but they know their market and have hundreds of branches," said Luis Kothbe, assistant director of the foreign department of Banco de Santander.

The government has authorised 10 foreign banks to open branches this year and five next year. The move, part of the post-Franco liberalisation of the economy, limits foreign banks to a maximum of three branches.

Three foreign branches have already opened despite concerns about a recent reserve requirement that discourages Spanish banks and companies from obtaining loans in foreign currencies. The ruling, made in April, forces borrowers to set aside 25 per cent of a loan in an interest-free account. It was designed to discourage capital inflows that finance inflation but had a bombshell effect on foreign bankers, who had expected to make virtually all of their loans in foreign currencies in their first years of operations.

The restriction is scheduled to expire in October and Sr. Jose Ramon Alvarez Rendueles, Governor of the Bank of Spain, recently said he didn't believe there would be any need to renew it. However, the restriction underlines the dependence of foreign banks on state support.

Foreign banks will also be asking the Spanish government to help them expand the role of money markets, especially the interbank market where institutions lend each other deposits for six months or less. The foreigners are eager to develop this market because they need a source of pesetas to finance other operations.

Spain's interbank market is currently very limited. Government regulations bar participation by institutions such as insurance companies, investment funds, trusts, or industrial corporations.

Commercial banks are therefore the only institutions involved and the result is an unstable market and an unreliable source of funds. The rate on one-month deposits soared to 29 per cent from 14 per cent in less than two months earlier this year. "The Government will eventually have to allow other financial institutions to enter the market but they will have to do a lot of soft-soaping because the big domestic banks won't like it," a prominent U.S. banker speculated.

TEOLLISUUDEN VOIMA OY - INDUSTRIAL KRAFT AB (TVO Power Company) Private Placement 250,000,000 Luxembourg Francs 1979-1986 Guaranteed Bonds

WESTLAND UTRECHT HYPOTHEEK BANK N.V. Private Placement 250,000,000 Luxembourg Francs 1979-1984 Guaranteed Bonds

CITY OF COPENHAGEN 25,000,000 European Units of Account 8 1/4 per cent. 1979 - 1991 Bonds

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

This is not a new issue and this announcement appears as a matter of record only

N.V. BELEGGINGSMAATSCHAPPIJ WERELDHAVE

546,460 ordinary bearer shares of DFL 20 have been placed with institutional investors

by HILL SAMUEL & CO. LIMITED

KEMPEN & CO. N.V. Amsterdam

advised the company on this transaction

May 1979

MARINE CONTAINERS

Tokyu Car lifts the lion's share

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

ABOUT 40 per cent of the marine containers in use throughout the world were made by one Japanese company, Tokyu Car Corporation. This is the result of Tokyo's enthusiasm and foresight in acquiring capacity at a time when its competitors were thinking on much more modest lines, and of the pattern of Japanese trade, which made it almost inevitable that the world's leading container maker should be Japanese.

Japan is, par excellence, a raw materials importing and manufactured goods export country, which means that its imports tend to arrive "loose" while its exports need to be packaged. Since the ultimate form of packaging today is the 20-foot or 40-foot marine container Japan could hardly fail to become a major container exporter.

The container revolution did not originate in Japan, but in the U.S., where Matson Line took the lead in containerising its Los Angeles-Hawaii cargo service in the mid-sixties. Matson was quick to extend its service west to Japan, where Japanese shipping lines, led by NYK, were quicker still to realise that they would have to start using containers, or lose

their competitive strength. This provided the spur for Tokyu (which had previously been mainly a rolling stock and specialised vehicle manufacturer) to set up its first marine container production line at Yokohama in 1965.

Tokyu started with the capacity to build 755 of the 20-ft containers (or half as many 40 footers) per month at its Yokohama works but soon added a parallel production facility at Osaka (Japan's other main port) and then duplicated both the Osaka and Yokohama production lines. By 1976, after investing about \$50m (excluding land costs) Tokyu had reached the point where it could produce 10,000 20-ft containers per month at its two facilities.

Its total cumulative output by the end of 1978 (nearly all of it still in active service) was 430,000 units or roughly 40 per cent of the number of containers built in the world as a whole.

Tokyu specialises in steel containers, not in the slightly more expensive but also more durable aluminium variety (manufactured by, among others, Fruehauf). It claims a 66 to 70 per cent share of the world output of steel containers and a dominant share of con-

tainers owned by the seven major international container hire companies. (Aluminium containers, which represent 20 to 30 per cent of the marine containers built to date are for the most part owned directly by shipping companies.)

Tokyu Car's Mr. Enji Nakaso, who was in at the birth of the

Tokyu Car Corporation set up its first marine container production line 14 years ago and has since built 40 per cent of the world's containers, a market which provides Japan with a \$400m export industry

container revolution, says there is now a direct relationship between Japan's export performance (or more precisely the ratio between the growth rate of its manufactured imports and exports) and the state of the container market. The boom years 1977 and 1978 for Japanese exports, were thus good years for the container industry, whereas 1979 promises to be a

bad year, because Japanese manufactured exports are stagnant while imports are rising.

Production this year could be cut back to 90,000 units from last year's 120,000, but that does not mean, says Mr. Nakaso, that the good times are over. He forecasts that higher oil prices will oblige Japan to start pushing its manufactured exports again, and that more containers will inevitably be needed to ship such products out of the country. Apart from that the 10-year life cycle of steel containers means that the replacement market should be getting rapidly larger from now on.

Mr. Nakaso says that patents are not involved in container manufacturing—the product after all is basically nothing more than a big steel box. But experience and specialised know-how is involved in the lay-

out and planning of production lines (and in quality control) and Tokyu has been responsible for envying much of it. Discussions on technology transfer have been held with several European countries and with Brazil (which signed a know-how agreement with Tokyu in September). China has also shown interest, with the result that a delegation consisting of Tokyu and two Japanese general trading companies visited Peking recently for talks on joint ventures.

If some of these discussions come to fruition, Tokyu could start to spread its wings outside Japan as the first multinational container manufacturer. That Japan, containers may face difficult year or two, but not as difficult as to undermine the status as a \$400m export industry.

Near record price for Hong Kong site

BY PHILIP BOWRING IN HONG KONG

A SITE of 4,500 sq metres in a prime area of Hong Kong's Tsim Sha Tsui district was sold at a Government auction for HK\$400m (U.S.\$78m), very close to the record price for a similar site reached last October. The price is equivalent to HK\$88,559 a sq metre, compared with the record HK\$89,855 paid for a Tsim Sha Tsui site of 1,380 sq metres last October.

The successful bidder was Mr. Cecil Chao, chairman of Wah Kwong Properties, who was acting on behalf of a consortium of several property companies including Wah Kwong. The sale was regarded as highly significant because this same site was withdrawn from auction last year when bidding failed to surpass HK\$350m. That sparked off fears that the soaring land market was headed for a sharp reaction.

The fact that the price is close to the record has come as a surprise, in view of the fact that a 20 per cent downpayment was demanded, against 10 per cent when first put up for auction. Furthermore, the prevailing rate between the two auctions has risen from 8 per cent to 13 per cent.

Meanwhile, Tal Cheu Properties, a major local property owner and developer, announced a rise of some 10 per cent in profits for the year to March, to HK\$84.4 million (US\$16.5m), from HK\$52.5m the previous year. In addition, the company made an extraordinary profit of HK\$26.1 million compared with an extraordinary loss in the previous year.

The final dividend has been raised 1 cent, to make a total 11 cents for the year, compared with 9 cents.

Solid first-half advance seen by Toyo Kogyo

TOKYO—Toyo Kogyo Company, the makers of Mazda cars, said that it expects to report that profits before tax and special items in the first half-year ended April 30 "more than doubled" to about ¥12.7bn (\$57.7m) from ¥6.16bn in the same 1978 period on sales increased to about ¥396.00bn (\$1.8bn), from ¥323.67bn.

The company plans to announce its first half-year results on July 3.

Toyo Kogyo said it attributed the expected sharp rise in profits mainly to a fall in production costs following a reduction of its workforce and increased production. Increased sales of profitable high-quality rotary-engine cars had also been a contributing factor.

The company said that vehicle production rose about 18 per cent in the first half, from the level a year earlier, to about 470,000.

Toyo Kogyo has reached a basic agreement to transfer a 20 per cent interest to the Ford Motor Company of the U.S.

After-tax profits of ¥1.13bn were reported for the year ended October 31, 1978, on sales of ¥628.26bn. Profits before tax and special items in the year were ¥8.20bn.

The company's motor vehicle production in May totalled 75,344 units, up 33.8 per cent from the same month last year, but down 8.9 per cent from the April level.

Overall sales in the month totalled 79,084 units, up 23.7 per cent from May, 1978, but down 3.1 per cent from April. Exports amounted to 48,745 units, up 23 per cent on the year and up 14.3 per cent on the month. Domestic sales were 30,609 units, up 24.9 per cent on the year.

Record profit and sales at Suntory

TOKYO—Suntory, Japan's largest whisky distiller, raised its parent company net profit by 41 per cent in the year to March 31 to a record ¥14.86 billion (\$66.8m), up 41 per cent (\$66.8m), from ¥10.41bn in the previous year.

Sales reached a record ¥550.13bn (\$2.5bn), up 13 per cent from the ¥485.59bn in year before.

Liquor sales totalled ¥430.12bn, for a gain of 8.9 per cent from ¥399.96bn and beverage sales increased 21 per cent to ¥117.2bn, from ¥97.56bn. Sales of foodstuffs jumped 103 per cent to ¥36.77bn from ¥18.07bn.

Market conditions for liquid sales were very bad last year due to tax increases which went into effect in May 1978, Suntory officials said.

Koushikroku Photo Industry Company, Japan's second largest producer of photo film at photographic equipment, reported a 2.2 per cent rise in net profit for the year to April 30, to ¥5.9bn (\$28.8m), from ¥5.78bn in the previous year.

Salas totalled ¥143.21bn (\$651m), for an 8.2 per cent increase from the ¥132.454bn the previous year.

Profit per share went down to ¥34.77 from ¥35.87.

Domestic sales, accounting for 60.5 per cent of the company's business, totalled ¥80.70bn, up 14.5 per cent on the year, but overseas sales representing 39.5 per cent of business went down by 0.5 per cent to ¥56.56bn.

Company officials predicted that the net profit in the current fiscal year would go up by some 5 per cent to ¥6.2bn, on sales increased by 7.5 per cent to ¥154.4bn.

Earnings ahead at KLK after drought last year

BY WONG SULONG IN KUALA LUMPUR

KUALA LUMPUR KEPPONG, the fourth biggest Malaysian plantation group, raised its half-year profits by 97 per cent to 27.2m ringgit (U.S.\$ 12.2m).

KLK said that better commodity prices and better output after recovery from last year's drought were responsible for the improved results for the six months to March, and that similar conditions were expected to prevail in the second half.

The group made 68.9m ringgits on the sale of palm oil and rubber, or 24 per cent more than the comparable half last year.

The group's own rubber output fell by 3.5 per cent to 8.24m kilos, as a result principally to

lower yields, but its palm oil production rose by 39 per cent to 141,900 tonnes of fresh fruit bunches.

KLK obtained an average of 250.35 cents per kg for its rubber during the period, and an average of 1.64 ringgit per tonne for its palm oil, representing increases of 20 per cent and 33 per cent respectively.

With the profits, the group's liquidity has improved markedly, as reflected by the reduction in interest on debentures and loans, which fell from 1.36m ringgit to 759,000 ringgit. An interim dividend will be declared later.

Last year KLK paid an interim dividend of 7.5 per cent and a final dividend of 12.5 per cent.

1978 Balance Sheet: Investment in the Future

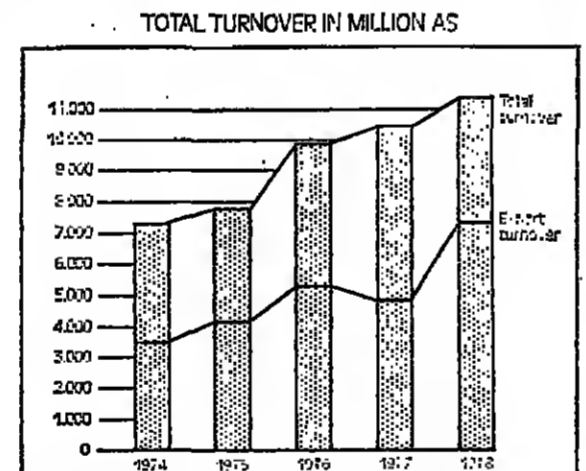
Thanks to the special efforts made by Steyr-Daimler-Puch AG, this enterprise succeeded in 1978 in expanding the turnover of the preceding year by 793 million Austrian Schillings, i.e. roughly 8%, to 11,300 million AS. On the export markets it proved possible in the face of stiffest international competition to achieve what, in part, were substantial market share gains and thus compensate for the declining domestic demand. The export volume expanded by 49% to close on 7400 million AS so that—relative to the sale of the firm's own products—the export share of this firm rose to 71%. No less than 4% of the total Austrian export of goods were, in 1978, accounted for by Steyr-Daimler-Puch AG.

The fact that the group sales revenue rose by 20% from 92 million AS in the preceding year to 111 million AS in 1978 enabled the distribution of a dividend payment of 9% on the share capital of 1200 million AS, which had been increased compared with the preceding year. While the 1978 balance sheet total rose by approximately 16% from 9,600 to 11,100 million AS, it has nevertheless been possible to maintain the structurally sound ratio between the balance sheet items.

Productivity, expressed in turnover per employee, once again rose in the 1978 business year, viz. from 628,000 to 676,000 AS so that, in the period from 1974 to 1978, this index figure rose by more than 70%.

In 1978 the investment activity of our group of companies was once again clearly intensified. The accruals to the physical fixed assets reached a value of 748 million AS compared with 490 million AS in the preceding year. All told this was the highest accrual to the physical assets of any one year since the establishment of this enterprise.

Including the financial assets, which in part reflect the accruals to the physical fixed assets of our subsidiary and associated companies, such as Geländefahrzeug GmbH, Graz, Steyr-Daimler-Puch AG in 1978 invested a total of roughly 1,100 million AS.



This renewed vigorous expansion of the investment volume reflects a policy which has been consistently pursued in recent years, namely to bring about the structural realignment of the existing product groups and branches and, in particular, to aim for the initiation or

completion of large-scale projects which exceed the scope of products and technologies customary hitherto. Owing to the slight upswing of economic activity which can, on the whole, be noticed in Austria, especially as a result of the expected normalization of demand in the consumer goods sphere and in respect of capital goods, the prospects for the development of business on the domestic market can be regarded as promising. Just as in the past year, significant stimuli to growth are expected to emanate from our exports.

By the end of the year 1978, the stock of orders on hand reached about 4,100 million AS and thus surpassed the corresponding figure of the preceding year by 5%. The course of business in the first four months of the current year is described as satisfactory by the managers of this company. Compared with the corresponding period of the preceding year, the turnover volume once again expanded in 1978.

So as to be able to attain its long-term growth objectives, Steyr-Daimler-Puch AG in 1979 is going to continue along its successful course of international cooperation. Increased transmission of know-how and licensing contracts in conjunction with the erection of assembling- and production facilities for the products manufactured by this enterprise are going to play their part in consolidating market positions that have been won and in opening up new markets. A capital investment volume of roughly 800 million AS is envisaged for the year 1979. The continuation of the investment policy adopted in conjunction with a consistently market-oriented overall management policy are going to be instrumental in attaining also the targets set for the year 1979.

Excerpt from the Balance Sheet as of 31 December 1978 in million Austrian Schillings

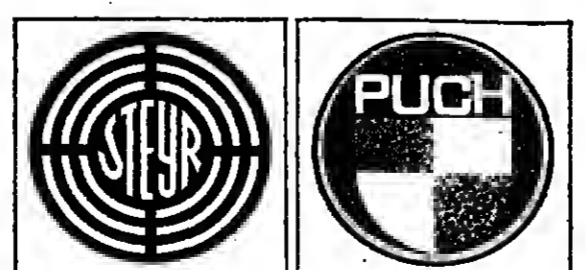
Assets	1978	1977
I. Fixed assets		
Physical assets	1,363.4	1,150.4
Financial assets	847.2	489.3
	2,210.6	1,639.7
II. Current assets		
Inventories	4,225.4	4,116.2
Securities	542.1	118.8
Advance payments as well as goods and intra-group receivables	3,032.8	2,473.4
Liquid assets	984.7	1,115.8
Other receivables	112.5	115.5
	8,897.2	7,945.5
III. Accounting apportionments	39.2	43.5
	11,147.0	9,628.7

Excerpt from the Profit and Loss Account for the 1978 Business Year in million Austrian Schillings

Liabilities	1978	1977
I. Share capital	1,200.0	1,000.0
II. Statutory and voluntary reserves	1,549.7	1,458.9
	2,749.7	2,458.9
III. Provision for staff service termination payments	562.9	595.2
IV. Adjustments on valuation as per Section 123 of the Income Tax Act 1972	454.3	300.0
V. Special-purpose reserves	2,370.2	2,006.8
VI. Liabilities	4,897.8	4,196.4
VII. Net profit (incl. carry-forward)	112.1	95.5
	11,147.0	9,628.7

Excerpt from the Profit and Loss Account for the 1978 Business Year in million Austrian Schillings

Expenditure	1978	1977
Employment costs	3,663.8	3,510.9
Depreciations	539.6	429.8
Interest paid	370.8	215.0
Taxes and contributions	158.8	242.4
Allocation to special-purpose reserves	—	142.2
Net profit (incl. carry-forward)	112.1	95.5
	4,845.1	4,633.8
Earnings		
Profit brought forward	1.3	1.4
Gross earnings (after accounting settlement between parent and subsidiary)	4,462.9	4,281.1
Profit from investments in affiliates	4.5	6.1
Interest received	218.6	193.7
Exceptional profits	157.8	151.5
	4,845.1	4,633.8



Steyr-Daimler-Puch AG

Handwritten signature or mark at the bottom center of the page.

ALLEN HARVEY & BOSS INVESTMENT MANAGEMENT LTD.  
45 Cornhill, London EC3V 3PB, Tel. 01-232 8314.  
Index Guide as at June 14, 1978.

Capital Fixed Interest Portfolio	113.20
Income Fixed Interest Portfolio	105.00



# THE JOBS COLUMN

## 'Remuneration' + 'termination' = humiliation

BY MICHAEL DIXON

"MY WIFE now has a dress-allowance from my company, for example," one of the audience commented with considered nonchalance.

His possession of this perk (a dress-allowance?) certainly impressed most of the other personnel managers at the seminar in London, as they waited for the comment from the floor to be answered by one of the experts on the platform.

But to a few there, dress-allowances for spouses were plainly old hat in these perk-proliferating days. The few no doubt work for organisations with really sophisticated "remuneration packages," perhaps including subsidised postage stamps to ease the financial strain of communicating with sons and daughters away at school on company scholarships.

"Giving wives dress-allowances does not get the best value for the company," came the reply from the appropriate expert: Tony Vernon-Harcourt of Keyser Ullman Remuneration Services. "It's better to put the wives on the company payroll, and then lend them the dresses." Sitting beside him as he spoke, I shuddered.

About 70 of us had spent the day reviewing, under the sponsorship of European Study Conferences, the latest trends in systematically recruiting, systematically rewarding and syste-

matically getting rid of managerial employees.

Of these three procedures, the audience generally seemed most interested in the last, which it is evidently no longer fashionable to speak of even as "dismissing" — at least, not when referring to senior staff. Anyone loud enough to call the sack the sack would, of course, be utterly ostracised.

No sadist was betokened by the special interest in this process. The audience was concerned about it as a particularly difficult task which, although distasteful, cannot be avoided altogether. The reason, the conference was told, was that in spite of their strivings to be professional, personnel managers are "all human" and will inevitably make occasional mistakes in recruitment or promotion.

Fallibility, however, is no excuse for indecency. Thus one speaks of the sad process as "termination" or "separation" unless, when hoh-nobbing exclusively with other personnel managers and wishing to appear a trifle daring, one ventures the expression "letting go."

Few appreciate the importance of preserving the finer feelings more than does the conference's expert on terminations, Deryck Sidney, head of the UK TRinc Group, now specialises in swiftly spiriting the newly separated away from their scene of shame to his own offices where, in the remarkably short average time of four months, they learn to return to life as executives elsewhere. But he was once himself insensitively separated by a boss who combined the deed with last-minute preparations for his departure on a fortnight's holiday. So Mr. Sidney knows how one can feel.

When he has a say in the matter the ineluctably brutal act of termination is pared to the minimum. As soon as the employer's representative has spoken the dread sentence, the unwanted body is whisked to a TRinc consultant waiting in the next room where the terminée is instantly translated into a "candidate."

The purpose of the change of title, I gather, is to establish that the late experience was not really a disaster, but an opportunity.

It is not only those most immediately concerned whose dignity is preserved by such decorousness and insistence on looking toward the bright future. If it were, then it would hardly have become customary for the task of executing a termination to be delegated to an official rather than the highest echelons of the organisation.

No. In fact the terminator must always be mindful of the reputations of superiors. And with these at stake, there is only danger in allowing the terminée to ask unseemly questions.

"I mean: what can you as a personnel director say when a chap asks you why he's being separated?" Deryck Sidney asked rhetorically. "You can't say: 'Because the new chief executive doesn't like you.' You can't say that, can you?"

Much of the audience stirred apprehensively. To them, it was doubtless as clear as the pin-stripes on their company suits—systematically awarded in respect positions in the hierarchy—that one does not get to be a personnel director by putting it about that one's chief executive

has frailties such as personal likes and dislikes. That could be taken account to a terminal offence in itself. Wiser to leave the terminées to infer that the cause must be some incompetence in their work, which they have miserably failed to perceive.

Perched on the platform, I stirred uneasily too. The personnel managers in the audience knew what they had come for. And surely nobody in the world knew better how to supply it than Mr. Sidney and the other speakers, equal experts in the other techniques under review. By comparison, what might I usefully say?

Then it occurred to me that the attitude the conference had been taking towards its topics resembled that of a U.S. Army general depicted in a New Yorker cartoon during the Vietnam War. Facing a critical-looking lady at a cocktail party, the general was obviously replying to some deprecating remark she had made. "Anti-personnel weapons?" he was saying. "Of course we use anti-personnel weapons. But only against personnel; never against people."

Remember what we had been discussing.

First, systematic recruiting in which we had been told, among other things, that it was essential for all who recruit on behalf of a company to behave in accordance with the corporate image. So if one or two of our line managers who take on new subordinates tend in practice to behave somewhat differently from the idealised executive, they must clearly be instructed to keep their eccentricities under wraps at least until the job they are offering is accepted.

When the new executive arrives, he or she must be systematically remunerated in accordance with standing in the company. Such an amount of pay. Such a power of ear. Such a degree of assistance with mortgage. Such a quality of household furnishings and clothes for self and spouse. Help towards fees for children at schools of such an exclusiveness. And so on.

Then something new wrong—perhaps the newcomer cannot get on with the real manager who has entered from behind

the corporate image. So we activate the systematic termination.

When we do so, of course, the terminée is liable to interpret it as entailing: the loss of pay, car, house, carpets and curtains. There may even flash into the unfortunate mind a vision of self and spouse standing forlorn in their underclothes—always provided that those, too, were not on loan from the considerate employer—and of children awakening in insolent stares in their school dormitory because their trunks and trunks are standing, packed, at the end of their bed.

It need be only a momentary vision because, as soon as the terminée is transformed into a candidate, the outlook will become one of unexpected opportunity. But there will be a few instants of intense nightmarish for even the most optimistic and, dare I say it, conditioned organisation man.

Surely no human being would deliberately risk having to do that to another. But for some people, such a humiliation will be the unavoidable consequence of their employer's

installing systems—particularly for rewarding managers—of a kind I have outlined.

So if it is true that personnel managers are all human, only explanation can see their being willing to operate such devices is that they believe the systems are being applied only to personnel in people.

The managers cannot be blamed for initiating a dehumanising trend of colour. The systems grew out of business' wish to free staff from the "actions" interventions of Government, deployed by the Chancellor the Exchequer in his Budget speech a week ago.

But the counterparty adopted by companies do free people. The effect, instead, is to lock them into organisation until it chews them out, so adding to the environmental interventions—quote the Budget speech as—another set of "laws" stifling enterprise.

It is time for the person professing to follow the Chancellor's lead by publicising his part in bureaucratic mania which, years after the first "T.A. Act" was instituted to protect manual workers, is leeching thousands of managers inch by inch in "own their soul in company" shire.

**£6,000**

**accountancy appointments**

**£9,000**

### FINANCIAL CONTROLLER AND COMPANY SECRETARY

South Wales c.£8,500 + car

Our client is a medium sized group of companies situated within ten miles of Cardiff. Operating highly mechanised and efficient production methods, it manufactures a range of well known consumer products. It has progressive marketing policies, a substantial export market and several associated companies overseas.

A vacancy has arisen for a controller to be responsible to the group managing director for the accounting, data processing and company secretarial affairs of all the UK group companies.

Applicants should be qualified accountants whose experience in industry has proven their ability to control diverse functions and to play a positive role in a senior management team. A working knowledge of French would be an advantage.

Please address brief personal and career details to Douglas G Mizon at 57 Chiswell Street, London EC1Y 4SY, quoting reference A136.

All applications will be treated in strict confidence.

Whitney Murray & Co.  
Turquand Barton Mayhew & Co.

### Chief Accountant

c. £8,500 + car Hampshire Coast

Our client—part of a diverse group—provide specialist technical services to the engineering/electronic industry. In this newly created post the Chief Accountant will have initial responsibility for the accounting functions of several group companies and ultimately for the division. He/she will have the freedom to reorganise as necessary the accounting and reporting functions to produce more timely information. It is intended to install a computer in the near future.

Candidates, preferably aged late 20s/early 30s, will be qualified accountants with several years commercial experience, ideally—but not essentially—in a service industry with multi-branch activities. Salary is negotiable around £8,500 and a car will be provided.

Applications in confidence to Bernard L. Taylor (Ref. 6399).

**mh Mervyn Hughes Group**  
2,3 Cursitor Street, London EC4A 1NE  
Management Recruitment Consultants 01-404 5801

### TOP MULTINATIONAL REQUIRES: - FINANCIAL CONTROLLER £9,000 neg + CAR

A fully qualified accountant aged 30- is sought by our clients for an extremely challenging career appointment.

In addition to overall control of the company's accounting system, responsibilities will include the supervision of capital expenditure, co-ordination of UK and European pricing structures, forecasting and the initiation/review of systems.

Obviously, candidates should possess high commercial awareness, analytical ability and communication skills, coupled with, if possible, some experience in a multinational environment.

Applications to:  
Patrick Lynch,  
Quest Advertising Limited,  
12 Margaret Street,  
London W1N 8BX  
or ring 01-580 2697

### LATE NIGHT OPENING THURSDAYS TILL 8 PM AT OUR PERCY STREET OFFICES FINANCIAL ACCOUNTANT c.£7,500 + car West London

Our client, an expanding group of private companies involved in Transportation, Shipping and Travel, are looking for a young qualified accountant with E.P. experience. The successful candidate will report to the Chief Executive and be responsible for the accounting function of the principal subsidiary and for the conversion to a micro-computer system of the Group Accounting.

Excellent prospects include succession to the position of Group Chief Accountant, consideration for Board appointment, and possible equity participation.

For interviews please telephone quoting Ref: FT 0549

DUNLOP & BAENOCH LTD. (Agy)  
31 Percy Street, W1 01-323 0886  
25 Lime Street, EC3 01-423 3544

### CHARTERED ACCOUNTANT

A small London quoted group requires a Chartered Accountant aged approximately 32, to play a management role in building up companies. Must be available in July.

Salary £9,000 + car  
Apply in writing with cv to:  
Box A6803, Financial Times,  
10 Cannon Street, EC4P 4BY.

### £6,000-£9,000 accountancy appointments APPEAR EVERY TUESDAY

Cost £16 per single column centimetre

For further details contact:  
SALLY STANLEY  
01-248 8000  
Ext. 7177

### £6,000 accountancy appointments £9,000

These advertisements appeared in the Financial Times on 12th June

Job Title	Salary	Location	Advertiser
Recently Qualified Accountant	£7,250+ (+Car)	W. London	David Clark Associates
Finance Management	£8,000 +	S. England	Personnel Advertising
Financial Accountant	£7,000 +	London	Royal Garden Hotel
Manager Inter-company Accounts	£7,500	Denham, Bucks	Rank Xerox
Assistant Financial Controller	£7,750	Warwickshire	Overton Management Selection
Accountant	Up to £8,000	Rural Surrey	PER London
Accountant	£19,000	Bermuda	Trevor James (Consultants)
Ambitious Accountant	£8,300	NW London	Robert Hall
Insurance	£8,000	Surrey	Robert Hall
Career Minded ACA	£8,000	C. London	Robert Hall
Cost Accountant	£7,000+Car	S.W. Essex	Robert Hall
Assistant Accountant	£5,000	S.W. Essex	PER Chelmsford
Management Accountant	£6,000-£7,000	Berkshire	PER Chelmsford
Investment Accountant	—	S.W.4	Field & Sons
Assistant Cost Accountant	£5,000	Potters Bar	UBH (Mechanical Services) Ltd.
		Croydon	Albany Life Assurance Co. Ltd.

For further information see the FT of that date or telephone 01-248 8000 Ext. 526 or 01-248 3597

### QUALIFIED ACCOUNTANT

HODGES CHAPMAN, a rapidly growing firm of Chartered Accountants, located in Central Croydon, are urgently seeking accountants, either qualified (ACA or ACCA) or unqualified but with top-class experience, to join them and take an active part in their expanding business.

We should particularly like to hear from people who are not only highly skilled technically but are sufficiently mature to take an individual responsibility for clients.

If you are interested in joining this growing firm, which has departments specialising in tax consultancy, computerised accounting systems, and management consultancy—and which can therefore provide a very great degree of scope for the right people—we shall be very interested to hear from you.

Please send a brief but comprehensive career history and a note indicating why these appointments appeal to you.

Dr. S. A. Ahern (Ref. FT.1)  
HODGES CHAPMAN  
Chartered Accountants  
8 George Street, Croydon CR0 1PA

### Deputy Accounts Manager For Lloyd's Syndicate c. £8500

As a leading Lloyd's Syndicate, we are seeking to recruit an Accountant who will be responsible for the production of our accounts.

The successful applicant will have proven experience either with a Lloyd's Syndicate or with a firm of Chartered Accountants, specialising in this field.

Together with an excellent salary we are able to offer good fringe benefits which include free medical expenses, Permanent health and life cover insurance.

For further information please telephone Personnel Department 01-481 3765

### GROUP ACCOUNTANT & COMPANY SECRETARY NW London c.£9,000

Reporting to the Managing Director, you will have responsibility for control and direction of Optional Accounts providing assistance with business planning, budgeting, cash utilisation and the development of improved systems. Also for the preparation and presentation of Group reports, published accounts and the secretarial practices of a UK Public Quoted Group.

Call Robert Miles on 01-248 6321.

Personnel Resources Limited 01 248 6321  
Financial Appointments Hilgate House, Old Bailey, London EC4M 7HS

### FINANCIAL ANALYST

South London c.£9,000+Car

A senior development appointment to control a small team providing financial advice and profit analysis services to Board and general management. Excellent career prospects for a qualified accountant or business graduate with preference given to a Chartered Accountant.

Call Brian Worthington on 01-248 6321.

Personnel Resources Limited 01 248 6321  
Financial Appointments Hilgate House, Old Bailey, London EC4M 7HS

### FINANCIAL ACCOUNTANT

Bedfordshire c.£6000 + Car

The John Willmott Group with a turnover of £30m operating in the construction industry require a recently qualified Accountant (ACA or ACCA).

Reporting to the Group Accountant you will be responsible for producing the consolidated financial accounts of the expanding Group of Companies. Experience of computerised accounting methods and cash management would be a distinct advantage.

We offer an excellent salary together with pension scheme life assurances, disability insurance, profit sharing scheme and a Company Car.

For further details, please apply in confidence to Mr. K. G. Baker, Personnel Director, John Willmott Group Limited, Hitchin Road, Shefford, Beds SG17 5JS. Tel: Hitchin 814455.

### Management Accountant

West London c. £7,000

One of the world's largest basic food companies offers an exciting and challenging opportunity for a young qualified accountant, at its London headquarters.

This position offers a chance to participate in the planning and evaluation of the group's performance, at a senior level. The emphasis is on management accounting, with one project being the development of new computer models for the business. An appointee of the right calibre has an excellent chance of progression in either financial or general management.

Candidates must be qualified accountants and in their mid twenties. They need to be effective communicators and preferably experienced with computers.

For an application form, write in confidence showing how you meet the specification and quoting reference 1651/L, to J. H. Cobb, Peat, Marwick, Mitchell & Co., Executive Selection Division,

165 Queen Victoria Street, Blackfriars, London, EC4V 3PD.  
Peat, Marwick, Mitchell & Co.

### Financial Accountant S. Suffolk c. £7,500 plus benefits

This is an excellent opportunity for an ambitious young ACA/ACCA qualified accountant to join our clients dynamic accounts team. The company part of a multi-national corporation with subsidiaries throughout the UK and Europe; manufacture and market exclusive medical diagnostic instruments and systems.

As the successful candidate you will be directly responsible to the UK Operations Controller for the full range of financial accounting ensuring that accounts are completed within prescribed timescales, drawing up annual budgets and periodic forecasts.

Ideally you will be aged 25-30 with at least 2 years experience in an industrial environment.

In addition to a progressive salary policy there is the usual large company benefits package which includes generous relocation assistance to this attractive part of the country.

Please contact: Richard May PER, (0245) 60234 Caster House, 49 High Street, Chelmsford. Applications are welcome from both men and women.

### NEGOTIATOR ON TERMS REQUIRED PART TIME

Experienced in Business Finance Legal and Accountancy

Write Box A.6791, Financial Times, 10 Cannon Street, EC4P 4BY

Handwritten signature: J. J. J.

# COMMODITY BROKERS

## Outstanding Career Opportunity in Australia

Robert Howes and Associates, Australia's leading Commodity Futures Broker, dealing on the London, New York, Chicago and Sydney exchanges, requires experienced commodity brokers.

The Futures industry is firmly established in Australia with gold, wool, boneless beef and live cattle already being traded. Currency interest rate and silver contracts will soon be added. This is your opportunity to play an active role in the development of the industry and reap substantial rewards in terms of satisfaction and finance.

Australia offers a beautiful Mediterranean climate and a very high standard of living.

- Robert Howes and Associates are offering:
- ★ An extremely attractive salary plus a full incentives package.
- ★ A challenging career with unlimited potential.
- ★ Travel expenses and assistance in relocation.

Please reply, giving fullest details of experience, age, education, salary and references to:

General Manager, Robert Howes and Associates Pty. Ltd., 275 George Street, Sydney NSW 2000, AUSTRALIA. Telephone: 29 2911.

# Financial Controller

## MERCHANT BANKING

This is a new, attractive and key appointment with a well-known City Institution. The undertaking has a long-established and diversified banking business, and is particularly active in the financing of international trade in both Sterling and Euro-currencies and in foreign exchange dealing.

- RESPONSIBILITY is to the Managing Director for all accounting and financial controls - including computer programmes and operations, preparation of management accounts (cash flows, exposure analyses, departmental profits) and Bank of England returns.
- A PROFESSIONAL QUALIFICATION, relevant experience at senior level, preferably in banking, and familiarity with EDP systems are the prime requirements.
- TERMS - to match experience and achievement - are for discussion with not less than £12,000 as the starting salary indicator. Preferred age - mid-thirties to mid-forties.

Write in complete confidence to Sir Peter Youens as adviser to the Institution.

### TYZACK & PARTNERS LTD

MANAGEMENT CONSULTANTS  
10 HALLAM STREET LONDON W1N 6DJ  
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

# Managing Director

## MEAT

for a leading specialist processed meat company with sales of around £10m. The business is based in a pleasant country town and is backed by the resources of a large public group.

- RESPONSIBILITY will be for planning and implementing agreed profit and market share goals. Success will bring good career prospects.
- THE REQUIREMENT is for a successful record indicating commercial acumen, personal leadership qualities, and a knowledge of the processed meat industry.
- PREFERRED AGE: 40s.
- SALARY unlikely to be less than £15,000.

Write in complete confidence to A. Longland as adviser to the company.

### TYZACK & PARTNERS LTD

MANAGEMENT CONSULTANTS  
10 HALLAM STREET LONDON W1N 6DJ  
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

Internal consultancy work for a Public Company for a newly qualified or established Chartered Accountant

# Development Accountant

## W.C.2

### Salary: Negotiable

Our clients, Gallaher Limited, have a turnover of £1,500m of which about a third relates to a range of diversified activities other than UK Tobacco sales.

Within their London Head Office in Kingsway, Gallaher have a small team of qualified accountants whose function is to act as an internal consultancy unit for the Group. This includes ad hoc investigations, corporate planning and budgetary work. Some travel is involved.

Due to internal promotions and expansion the development team is now looking for an additional one, or possibly two, Chartered Accountants.

Membership of the development team is likely to lead to a very progressive career future within the Group. For further information please contact our Managing Director, Mr. D. R. Whateley, whose private telephone number is 01-623 9227. The reference is 475.

### WHATELEY PETRE LIMITED

Executive Selection, 6 Martin Lane, London EC4R 0DL.



# Avon challenge your idea of auditing c.£9,000

Avon Overseas Limited, the European Marketing Centre of the World's largest direct selling cosmetics and toiletries Company, presently based in Knightsbridge, is moving to prestigious, new premises in North West London later this summer.

Avon's continued expansion in the European area has given rise to an exciting career challenge for a professional man or woman with an interest in business control systems.

You need not necessarily be a qualified accountant. Perhaps you will have gained an HNC in Business Administration. To help meet our tight reporting schedules, you should, ideally, already be familiar with American computer based reporting systems.

Avon's operational reviews cover all facets of our European activities and should equip you with the experience necessary to progress within the Company.

The job is demanding and requires the type of individual who is capable of dealing with management and personnel at all levels and who can combine objective, detached thinking with positive communication skills. In addition, this person must have a good conversational knowledge of another European language and be prepared to spend time travelling, normally on visits of 2-3 weeks' duration.

The excellent salary reflects the importance of this appointment and will be supported by the range of benefits you would expect from a successful international organisation, including life and accident insurance, BUPA, subscription and non-contributory pension scheme.

Please write to with full career details or phone: Jacky Margolis, Avon Overseas Limited, Bowater House, 68/71A Knightsbridge, London SW1X 7LR. Tel: 01-569 8151.



# Financial Controller Engineering Industry c.£10,000

Our client seeks a CA or ACMA qualified controller who will head up the Finance function of its centrally controlled, multi-divisional, engineering activities. With a special interest in management accounting systems and modern costing techniques, the Financial Controller will work closely with a top management team who will be unusually sympathetic to creative plans that lead to optimising control and information.

We anticipate ideal candidates to be graduates in their late thirties with at least eight years industrial experience, preferably within the aircraft or engineering industries. Additionally we expect that recently they will have been in a relevant position in a large company.

The remuneration, which is only part of a full compensation package, should attract someone who is looking for additional responsibility in a location that will appeal to those who prefer rural or marine pursuits to urban high-life.

Interested applicants should send brief but comprehensive career details to the address below, quoting Ref. No: 044/2/FT.

Charles Barker-Coulthard  
30 Farringdon Street, London EC4A 4EA.  
Telephone 01-236 0526  
Management Selection - Executive Search

# PROJECT FINANCE NEGOTIATOR

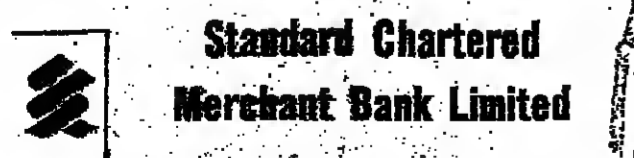
The requirement is for an Assistant Manager with recognisable managerial potential to make an immediate contribution as a new business negotiator in this expanding international division.

The successful applicant will be aged 27-35 with sound practical experience of ECGD facilities in Eurocurrency lending.

An attractive negotiable salary, substantial fringe benefits and excellent career prospects are offered.

Written applications with a full curriculum vitae should be sent in confidence to:

Peter Llewellyn, Personnel Department, Standard Chartered Merchant Bank Limited, 33-36, Gracechurch Street, London EC3V 0AX.



A Member of Standard Chartered Bank Group

# Established and Active Lead Manager of EUROBOND ISSUES seeks experienced INSTITUTIONAL SALES EXECUTIVE

A qualified candidate will have a demonstrably successful record of selling international securities to institutions, and will work closely with primary market directors and secondary market dealers. Salary dependent upon candidate's record of experience.  
Write in confidence to Box A6302  
Financial Times, 10 Cannon Street, EC4A 4BY

# Accounting Manager Longbridge

By the early 1980's Austin Morris will have invested more than £250 million in advanced production facilities for its new small car. Major changes in style and approach are being implemented by the new management team as part of ambitious plans, which are gaining the Company for success.

The Longbridge Site, the hub of the Austin Morris operation, is the largest integrated vehicle plant in the U.K. with an annual payroll in excess of £100 million and Longbridge Finance provides an important service to the Plant and a wide range of divisional functions.

This is a key appointment strengthening Longbridge Finance to play a major role in the future. As Manager you will have complete responsibility for the financial accounting activity and contribute to major policy changes in the accounting area. The position will provide opportunity for development and implementation of control systems.

This appointment will appeal to a qualified accountant already holding a responsible management position, but looking for something more demanding with excellent prospects in the medium term. Experience is essential in the management of financial and cost accounting, including auditing and budgetary and inventory control ideally in a medium to large manufacturing environment.

A competitive salary will be paid and benefits include BUPA, attractive car leasing facilities and generous assistance with relocation where appropriate.

Interested men and women should write to: Edward Wignall, Recruitment Manager, Organisation & Personnel Planning, Austin Morris Manufacturing, BL Cars Limited, Longbridge, BIRMINGHAM B31 2TB.



# OPPORTUNITY IN MANAGEMENT

If you are between 25 and 35 and already have at least two years of supervisory experience you are probably qualified for a position as management trainee in our company.

We shall train you to become an expert in improving business operations.

Our assignments include manufacturing, administrative, marketing, engineering functions and management and skills training. You will learn the most modern techniques of planning and co-ordinating workflows.

For the most dynamic candidates there is the opportunity for a rapid promotion and high earnings.

Fluency in German or French and willingness to travel every week is required.

Please send immediately c.v. mentioning earnings and day-time telephone number (Ref. FT 19/6/79) to

INSIGHT PUBLICATIONS S.A.  
BLD DE LA CAMBRE 42 - BTE 13  
B - 1050 BRUSSELS - BELGIUM

# FINANCIAL CONTROLLER

## U.K. Public Company

Watsham's Limited has completed a period of substantial development and its specialist engineering and pharmaceutical companies are ready to carry out their long-term objectives in the major world markets.

The Financial Controller will be responsible for business plans, cash control and the development of improved systems as well as group reporting and the secretarial practices of a U.K. public company.

The successful candidate will preferably be a Chartered Accountant with management experience and will report to the Managing Director. Age preferred 28-35. Location N.W. London. Excellent salary negotiable.

Applications in writing, which will be treated in strictest confidence, to:

The Managing Director  
WATSHAM'S LIMITED  
62 Grosvenor Street, London, W1  
Tel: 01-499 0029

# New Business Executive Circa £15,000 West Africa

Due to the rapid expansion of our international trading operation, an opportunity has now been created for a high-calibre Sales Executive, responsible for developing new business in West Africa.

As our interests are very diverse, the successful candidate must have a wide commercial knowledge together with the ability to achieve an outstanding performance under sometimes difficult market conditions.

Based in London he/she will enjoy regular visits to West Africa as an essential part of his/her responsibilities in ensuring our clients receive a service second to none.

This challenging career will provide variety and tremendous opportunity for the future together with excellent remuneration, company car and expense account.

Those wishing to apply should write giving age and experience to:

Mrs. J. L. Weingartner,  
CROSSOCEANS LTD.,  
34 Beaufort Gardens, London SW3 1PW.

# REQUIRED FOR A PROMINENT INSURANCE COMPANY IN THE GULF AREA

Ambitious young man willing to work in Saudi Arabia, United Arab Emirates or the State of Qatar. Age not less than 25 and not more than 35. Attractive remuneration plus housing, transport and termination of duty compensation. Applicant should have at least three years' experience in one branch of insurance.  
Please apply to Box A.6790, Financial Times, 10 Cannon Street, EC4A 4BY.

# SECRETARIAL APPOINTMENTS

## COLLEGE LEAVER

£4,500 + 25p LV's  
4 WEEKS' HOLIDAY  
BONUS SCHEME  
Young Secretary in Management Consultants to work for Manager of a busy department, very modern office, relax, chance to become a PA.  
Ring Elizabeth Slade 584 8166

## COLLEGE LEAVER

£4,500 + LV's  
4 WEEKS' HOLIDAY  
£180 CLOTHES ALLOWANCE  
For international Accounting Centre working for a financial company. Involved in treasury, insurance, credit control, with v.a.t., prospects, etc. Willing to train on tele and audio.  
Ring Elizabeth Slade 584 8166

## COLLEGE LEAVER

FOR PATENT AGENT  
£4,500 + LV's  
4 WEEKS' HOLIDAY  
Good skills, varied and interesting duties working for a Director, plenty of initiative, good speaking voice, tremendous scope for rapid promotion.  
Ring Elizabeth Slade 584 8166

## COLLEGE LEAVER

£4,000  
4 WEEKS' HOLIDAY  
SUBSIDISED 3-COURSE LUNCH LV's  
For international company dealing with 12-20 appointments and overseas telephone and tele work in North America, Scandinavia and Portugal, lively friendly office.  
Ring Elizabeth Slade 584 8166

## COLLEGE LEAVER

£4,200  
SUBSIDISED RESTAURANT  
4 WEEKS' HOLIDAY  
International Market Division of a Government organisation, superb office.  
Ring Elizabeth Slade 584 8166

## 62 BROMPTON ROAD, SW3

(Opposite Harrods)  
ALFRED MARKS  
STAFF BUREAU

WORLD STOCK MARKETS

Easier Wall St. trend of oil price worries

INVESTMENT DOLLAR PREMIUM

\$2.60 to \$1.91% (38 1/2%) Effective \$2.1082-131% (12 1/2%)

WITH INVESTORS worrying over expected further oil price increases, Wall Street tended to ease yesterday in reduced but still active trading.

The Dow Jones Industrial Average declined 3.90 to 836.49 and the NYSE All-Share Index fell 29 cents to 87.56.

Oil price worries were the main factor in the decline, with the price of oil falling to \$11.31 a barrel.

Investors were also disappointed by the U.S. economy, with the Commerce Department reporting that May housing starts rose 5.3 per cent.

Investors have been hoping that the economy would slow to ease upward pressure on interest rates.

Canada Stocks closed mixed overall yesterday following another active session.

The Toronto Composite Index rose 1.1 to 1,577.2, dragged down by a sharp reaction in the recently strong Oil and Gas sector.

Among retreating oils, Dome Petroleum, the most active Toronto issue, fell 11.24 shares.

Share prices moved further ahead in light trading, with Shipping Lines, Machinery and energy-related issues leading the way.

The Nikkei-Dow Jones Average rose 43.27 more to 1,883.21 and the Tokyo SE index 1.64 to 4,434.

Germany The market after last week's good showing, closed mixed to slightly down following a moderate recovery.

Some dealers attributed the negative market mood partly to a statement by West Germany's Economics Minister, Otto Graf Lambsdorff.

Paris

Helped by institutional buying, stocks mostly gained ground in fairly quiet trading.

Portfolios, Foods, Metals and Chemicals were also favoured, but declines predominated.

Switzerland Stock prices were mixed but with a netted undertone to a rather low volume.

The dollar's fluctuations left the exchange rather confused, one dealer said, and robbed it of the chance to close a bit higher.

Union Bank advanced SwFr 20 to SwFr 3.155, Zurich Insurance SwFr 3.20 to SwFr 1.275.

Australia Markets were closed yesterday for the Queen's Birthday holiday.

Hong Kong The market partially reacted after an initial fresh rise, leaving the Hang Seng index only 1.55 higher.

Properties gained strongly in the morning ahead of the Tsim Sha Tsui East land auction, but came off the top in late trading.

HK Land gained 5 cents to HK\$11.40, SSK Properties 20 cents to HK\$39.90.

Germany The market after last week's good showing, closed mixed to slightly down following a moderate recovery.

Some dealers attributed the negative market mood partly to a statement by West Germany's Economics Minister, Otto Graf Lambsdorff.

Switzerland Stock prices were mixed but with a netted undertone to a rather low volume.

The dollar's fluctuations left the exchange rather confused, one dealer said, and robbed it of the chance to close a bit higher.

Union Bank advanced SwFr 20 to SwFr 3.155, Zurich Insurance SwFr 3.20 to SwFr 1.275.

Australia Markets were closed yesterday for the Queen's Birthday holiday.

Hong Kong The market partially reacted after an initial fresh rise, leaving the Hang Seng index only 1.55 higher.

Properties gained strongly in the morning ahead of the Tsim Sha Tsui East land auction, but came off the top in late trading.

NEW YORK

Control Data 54 1/2, IBM 171 1/2, Digital Equipment 100 1/2, Spangol 100 1/2.

IBM 171 1/2, Digital Equipment 100 1/2, Spangol 100 1/2, Control Data 54 1/2.

Digital Equipment 100 1/2, Spangol 100 1/2, Control Data 54 1/2, IBM 171 1/2.

Spangol 100 1/2, Control Data 54 1/2, IBM 171 1/2, Digital Equipment 100 1/2.

Control Data 54 1/2, IBM 171 1/2, Digital Equipment 100 1/2, Spangol 100 1/2.

IBM 171 1/2, Digital Equipment 100 1/2, Spangol 100 1/2, Control Data 54 1/2.

Digital Equipment 100 1/2, Spangol 100 1/2, Control Data 54 1/2, IBM 171 1/2.

Spangol 100 1/2, Control Data 54 1/2, IBM 171 1/2, Digital Equipment 100 1/2.

Control Data 54 1/2, IBM 171 1/2, Digital Equipment 100 1/2, Spangol 100 1/2.

IBM 171 1/2, Digital Equipment 100 1/2, Spangol 100 1/2, Control Data 54 1/2.

Digital Equipment 100 1/2, Spangol 100 1/2, Control Data 54 1/2, IBM 171 1/2.

Spangol 100 1/2, Control Data 54 1/2, IBM 171 1/2, Digital Equipment 100 1/2.

Control Data 54 1/2, IBM 171 1/2, Digital Equipment 100 1/2, Spangol 100 1/2.

IBM 171 1/2, Digital Equipment 100 1/2, Spangol 100 1/2, Control Data 54 1/2.

Digital Equipment 100 1/2, Spangol 100 1/2, Control Data 54 1/2, IBM 171 1/2.

Spangol 100 1/2, Control Data 54 1/2, IBM 171 1/2, Digital Equipment 100 1/2.

Control Data 54 1/2, IBM 171 1/2, Digital Equipment 100 1/2, Spangol 100 1/2.

EUROPEAN OPTIONS EXCHANGE

Series Vol. Last Vol. Last Stock

ABN C F.84.80 5 3 2 4.50 F.84.80

ABN C F.84.80 5 3 2 4.50 F.84.80

ABN C F.84.80 5 3 2 4.50 F.84.80

ABN C F.84.80 5 3 2 4.50 F.84.80

ABN C F.84.80 5 3 2 4.50 F.84.80

ABN C F.84.80 5 3 2 4.50 F.84.80

ABN C F.84.80 5 3 2 4.50 F.84.80

ABN C F.84.80 5 3 2 4.50 F.84.80

ABN C F.84.80 5 3 2 4.50 F.84.80

ABN C F.84.80 5 3 2 4.50 F.84.80

ABN C F.84.80 5 3 2 4.50 F.84.80

ABN C F.84.80 5 3 2 4.50 F.84.80

ABN C F.84.80 5 3 2 4.50 F.84.80

ABN C F.84.80 5 3 2 4.50 F.84.80

ABN C F.84.80 5 3 2 4.50 F.84.80

ABN C F.84.80 5 3 2 4.50 F.84.80

BASE LENDING RATES

A.B.N. Bank 14%, Allied Irish Banks Ltd. 14%, Auro Bank 14%.

American Express Bk. 14%, Bank of Montreal 14%, Bank of Paris 14%.

Bank of Cyprus 14%, Bank of N.S.W. 14%, Banque Paribas 14%.

Bank of Rome 14%, Bank of Spain 14%, Bank of Tokyo 14%.

Bank of West Germany 14%, Bank of Yugoslavia 14%, Bank of Zaire 14%.

Bank of Zambia 14%, Bank of Zimbabwe 14%, Bank of the South Atlantic 14%.

Bank of the West Indies 14%, Bank of the Middle East 14%, Bank of the Caribbean 14%.

Bank of the Pacific 14%, Bank of the Americas 14%, Bank of the East 14%.

Bank of the South 14%, Bank of the North 14%, Bank of the West 14%.

Bank of the East 14%, Bank of the West 14%, Bank of the South 14%.

Bank of the North 14%, Bank of the West 14%, Bank of the South 14%.

Bank of the East 14%, Bank of the West 14%, Bank of the South 14%.

Bank of the North 14%, Bank of the West 14%, Bank of the South 14%.

Bank of the East 14%, Bank of the West 14%, Bank of the South 14%.

Bank of the North 14%, Bank of the West 14%, Bank of the South 14%.

Bank of the East 14%, Bank of the West 14%, Bank of the South 14%.

Bank of the North 14%, Bank of the West 14%, Bank of the South 14%.

NEW YORK - DOW JONES

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.

Table with columns for Date, High, Low, and Change. Includes data for June 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30.



COMMODITIES AND AGRICULTURE

EEC urges rise in food aid

By Correspondent
JESSELS-The EEC Commission yesterday announced a 28 cent increase in international food aid contributions...

Le Nickel cuts prices

By JOHN EDWARDS, COMMODITIES EDITOR
LE NICKEL, the French-based group, confirmed yesterday that it was cutting its world price for nickel to bring it back into line with other producers...

Coffee down as frost fears ease

By RICHARD MOONEY
COFFEE FUTURES prices on the London market continued Friday's sell-off yesterday following a weekend of rising temperatures in Brazil.

WEST GERMANY Change of mood over farm policy crisis

By JONATHAN CARR IN BONN
FOR WEST GERMANY it was a rather unusual occasion. Politicians, academics, representatives of the European Commission, farmers and journalists had all been brought together under one roof...

U.S. sales plan hits sugar

By OUR COMMODITIES STAFF
WORLD SUGAR values fell back yesterday following an announcement by the U.S. Department of Agriculture that it is planning a sales policy...

tion bought to maintain prices for domestic growers. An interim loan programme for the 1979 crop at 13 cents a pound is to be set up...

Another big panish olive crop

WASHINGTON - THE U.S. Agriculture Department said it appears to be heading for a good olive oil crop in 1979-80 season, and output has about the same level as 1978-79 season.

Setbacks for Guyana bauxite

By OUR GEORGETOWN CORRESPONDENT
THE GUYANA mining enterprise (Guymin) recently reported two mishaps which will inevitably have a temporary effect on output.

put of 110,300 tonnes. The rainfall had an adverse effect on yield of sugar from the cane, transportation, tillage, and will cause reduced yield in the next crop cycle.

West German farmers to pay more tax

WEST GERMANY'S farming community will have to pay more income tax on an agreement reached yesterday by ministers in Bonn...

BRITISH COMMODITY MARKETS

Table with columns for various commodities like Tin, Rubber, Cocoa, etc. and their market status (up/down) and prices.

AMERICAN MARKETS

Table with columns for various commodities like Wheat, Corn, Soybeans, etc. and their market status and prices.

PRICE CHANGES

Table listing price changes for various commodities such as Metals, Rubber, Soybean Meal, etc.

INDICES

Table showing various financial indices like Dow Jones, FTSE 100, etc. with their values and changes.

A Guide to Managed Commodity Accounts. Text describing investment services and contact information for C.C.S.T. Commodities Ltd.

Table with columns for various commodities like Wheat, Barley, etc. and their market status and prices.

Table with columns for various commodities like Sugar, Wool Futures, etc. and their market status and prices.

Table with columns for various commodities like Cotton, Meat/Vegetables, etc. and their market status and prices.

C.C.S.T. Commodities Ltd. Walsingham House, 35 Sothing Lane, London EC3N 4AH. Tel: 01-480 6841.

AUBREY N. SEEMAN & CO. INC. DISCOUNT FLOOR BROKERS MEMBERS OF NEW YORK & AMERICAN STOCK EXCHANGES

Table with columns for various commodities like Wool Futures, etc. and their market status and prices.

Table with columns for various commodities like Cotton, Meat/Vegetables, etc. and their market status and prices.

LONDON STOCK EXCHANGE

Companies and Markets

Early falls regained despite trade figure apprehensions and concern over political/inflationary trends

Account Dealing Dates

First Declara- Last Account Dealings tions Dealings Day June 4 June 15 June 26 June 18 June 28 June 29 July 10 July 2 July 12 July 13 July 24

A report that Saudi Arabia is ready to increase further its crude oil production on a temporary basis to a move to stabilise world oil prices, but is waiting the outcome of next week's OPEC conference, prompted revived firmness in both equities and Government securities yesterday.

Initial concern about the economic outlook and apprehension ahead of today's announcement of the May trade figures imparted easiness in leading Industrials in the first hour or so of business. But, with underlying sentiment assisted by the Saudi Arabian oil report, a useful rally ensued and final quotations were better on balance. British Funds followed a similar pattern with early losses, ranging in a being replaced by rises to half-point at the close. The turnaround in the equity leaders was well illustrated by the FT 30-share index which touched its lowest of the day at 11 am, showing a loss of 3.5, before a close of 4.4 higher on balance at 482.9. There was a

little genuine investment demand and the recovery movement owed much to the absence of selling pressure together with a stock shortage.

Elsewhere, South African gold shares made further progress with the aid of American and Continental demand ahead of today's U.S. Treasury gold auction.

The easiness imparted late last Friday by the unexpected fresh large call to be made on the high-edged market of £1.8bn in new lap stocks continued at the outset. Quotations began generally lower, but rallied on the Middle East oil report and improved further following the early advance in sterling, although business was regarded as light. Short-dated issues, the market in which is still technically untapped, led the movement and closed with gains extending to 1, while the best rises among the longer terms were established by the recently depressed high-coupon issues.

Southern Rhodesian bonds drifted lower in the absence of any buying interest and the 6 per cent 1978-81 issue closed three points down at £116, while the 2 1/2 per cent 1965-70 stock ended two points off at £79. Among Americans, Rockwell International were listed officially in London for the first time and traded at around £21. Institutional demand for

investment currency continued steadily improved to end 7 pence higher on balance at 36p and 26p respectively. Rates improved to 401 per cent on buying generated by activity in South African Gold shares before the premium eased slightly to close a net 14 points higher at 394 per cent. Yesterday's SE conversion factor was 0.5886 (0.5812).

A sharp contraction of business in Traded options culminated with a total of only 460 deals completed; this compares with Friday's 1,846 and last week's daily average of 1,054. Grand Met. attracted most interest, recording 115 trades, while Cons. and Spencer marked 89 and 86 respectively.

Hambros jump late

A lethargic banking sector was enlivened during late inter-office dealings by Hambros, which jumped 25 to 305p in response to eagerly-awaited preliminary results revealing a strong recovery in the second-half. Elsewhere, the major clearers made modest progress with Lloyds, 323p, and NatWest, 353p, bartering 5 pence. Still concerned about the trend towards dearer credit, Hire Purchases eased further. Lloyds and Scottish Finance 2 to 39p.

With the exception of Christopher Mann, which edged forward a penny to 36p ahead of tomorrow's annual figures, Insurances ended lower. Royals dipped to 348p and Pearl gave up 6 at 250p.

Leading Breweries traded quietly to close with modest gains. Bass hardened to 211p, while further consideration of the good interim results lifted Arthur Guinness 3 to 151p. Dealings in Amalgamated Distilled Products were suspended at 45p, a 1979 peak, on the news that the company is involved in discussions which could lead to a third party taking a stake in the group. Distilleries were generally slightly firmer and Highland added 4 at 110p.

Leading Buildings steadied after an initial downdrift and settled with little change on balance. Elsewhere, both Brown and Jackson and MDW benefited from weekend Press comment, the former rising 20 to 245p and the latter 4 to 49p. By contrast, occasional small selling left Wilson (Connolly) 4 cheaper at 176p. Thomas Warrington came on offer and shed 5 to 59p, but Bective Construction, 23p, were unmoved by increased annual profits. In Cements, Tunnel B shed 4 to 270p ahead of Thursday's annual results. Marked a penny or so lower at

the outset, ICI and Fisons steadily improved to end 7 pence higher on balance at 36p and 26p respectively.

Fraser up again

Undeterred by a reported bid to buy from Lonrho, Fraser took a further small step forward to close the day 15 higher at 198p, after 200p, on persistent speculative buying fuelled by suggestions that Lonrho would soon launch a full-scale offer or sell its near-30 per cent stake in Fraser to another potential suitor; Lonrho hardened a penny to 76p. Elsewhere in Stores still reflecting the proposed £4m rights issue, the combined English cheapened 2 to 121p, while W. Goodkind, at 45p, lost 5 of the recent good rise which followed news of a large shareholding changing hands. Renewed investment support lifted MFI 8 to 132p and Vantona saw buyers at 124p, up from 3 to 49p and 86p respectively. In Shoes, Snyde were sold and closed 6 down at 138p.

Down to 357p initially, GEC picked up well to close 5 better on balance at 367p. Elsewhere in Electricals weekend Press comment attracted buyers to Highland Electronics, which jumped 8 to 86p. United Scientific saw support at 293p, up 7, but falls of 5 were seen in Electromechanics, 45p, and Pressac, 95p.

A revival of investment demand left John Brown 22 higher at the day's best of 51p, but other leading Engineers with only modest advances after a large start on Monday. Secondary issues presented a rather mixed appearance. Among the bright spots, Hawthorn Leslie encountered fresh support and put on 6 to 79p, while having in a limited market lifted Whitehouse 15 to 205p. Occasional interest ahead of Thursday's interim statement left Baker Perkins 3 dearer at 157p. By way of contrast, A. Cohen reacted 10 to 280p and losses of 5 were marked against Babcock and Wilcox, 151p, and British Aluminium, 225p. Disappointment with the annual results brought a reaction of 4 to 141p in Brown and Tawse.

Food ends the session on a firm note after a mark-down in the afternoon. British T. Tate and Lyle (interim results tomorrow) firmed 3 to 152p, while Cadbury Schweppes added a penny to 601p. Among Supermarkets, Press comment high-

lighting hid possibilities prompted a gain of 3 to 124p in Carriers, while a small late demand lifted William Morrison 4 to 156p. Awaiting tomorrow's annual results, Tesco hardened 2 to 691p. Elsewhere, Associated Biscuits firmed 3 to 73p, but United Biscuits eased that much to 84p. Hazlewoods (Proprietary) shed 5 to 54p in a thin market.

Glaxo better

Early nervousness in the miscellaneous Industrial leaders ahead of today's trade figures gave way to calmer conditions later and the closing trend was steady to firm. Beecham rallied from an initial level of 523p to 533p, better on balance at 533p, while Glaxo closed 7 to the good at 490p, after 451p. Elsewhere, secondary issues plotted an irregular course. Diploma Investments improved 3 to 250p in response to Press comment. Vioton rose 5 to 148p as did Jacksons Bourne End in 160p, while Berwick Timpan edged forward a penny to 79p on an investment recommendation.

Motor Distributors staged a useful rally after their post-Budget malaise, although the rises were often attributed to lack of selling rather than to actual support. Heron featured, rising 5 to 47p, while Hanger put on 7 at 78p. Gains of around 4 were seen in Lookers, 53p, Harold Perry, 146p and Wadhams, 394p. Elsewhere, ERP attracted interest and improved 5 to 113p in front of today's preliminary statement.

Properties picked up after a dull start and occasionally closed with small net gains. MEPC ended 2 firmer at 166p and Land Securities finished unaltered on balance at 280p, after 278p. British Land waiting today's preliminary figures, Bradford shed 3 to 390p. Elsewhere, Warnford Investments put on 15 to 420p in a thin market. Quiet conditions prevailed

among leading Oils where an early downdrift was subsequently checked. Net gains of a couple of pence were posted against British Petroleum, 1144p, and Shell, 362p. In secondary industries, increased support was forthcoming for Burmah, which put on 0 to 132p, but Pricelent reversed an initial gain of 2 to close 3 cheaper on balance at 221p. Oil Exploration added 4 to 276p and Lasso OPS firmed 5 to 740p.

Glaxo better

Support ahead of Thursday's half-time results lifted S. and W. Berwick 10 to 200p.

Shippings drifted easier in a quiet business with the exception of Furness Withy, which rose 8 to 233p following KCA's reported attempt to win shareholders' support in its battle for representation on the former's board.

Textiles ended the session with a narrowly mixed appearance apart from Fern-Cassels, a nettor at 70p, and Dawson International, 3 up at 111p, the latter following better-than-expected annual profits and a substantial increased dividend payment. In Tobaccos, Siemssen Hunter added 8 in a very restricted market in close at 70p.

Gold advance

Although closing a fraction below the day's best level South African Gold registered substantial gains despite the easier bullion market in front of today's U.S. Treasury gold auction. The Gold Mines index put on 7.2 to 186.2 — its third successive rise — and the ex-premium index 5.0 to 164.5. Prices opened higher, reflecting a surge of American buying late on Friday evening, and continued to move ahead owing to Continental interest. However, towards the close and in the late after-hours trade U.S. profiteering pared earlier gains to a small extent. Among heavyweights Vaa Reefs were outstanding with a gain of almost a point at £18 after £15. In the medium and lower-priced issues Kloeof and Libanon were particularly wanted with the former finally 40 better at 755p and the latter 54 higher at 722p. South African Financials attracted good support. "Amgold" improved around a half-

FINANCIAL TIMES STOCK INDICES

Table with columns for indices: Government Secs, Fixed Interest, Industrial, Gold Mines, etc. and rows for dates from June 18 to June 11.

HIGHS AND LOWS

Table showing High and Low prices for various stock categories like Govt. Secs, Fixed Int., Ind. Ord., etc.

NEW HIGHS AND LOWS FOR 1979

Table listing new high and low prices for various stock categories including AMERICANS, EUROPEAN, and INDUSTRIALS.

LONDON TRADED OPTIONS table with columns for Option, Ex'r, Closing price, Vol., etc.

Table with columns for Stocks, Denomina-tion, Closing price, etc.

Table with columns for Stocks, Denomina-tion, Closing price, etc.

Table with columns for Stocks, Denomina-tion, Closing price, etc.

Table with columns for Stocks, Denomina-tion, Closing price, etc.

Table with columns for Stocks, Denomina-tion, Closing price, etc.

Dawson International Limited advertisement featuring a picture of a woman and text about textile products and company results.

OPTIONS table with columns for DEALING DATES and various stock options.

ACTIVE STOCKS table with columns for Stock, Denomina-tion, Closing price, etc.

RECENT ISSUES table with columns for Issue Price, Amount, etc.

FIXED INTEREST STOCKS table with columns for Issue Price, Amount, etc.

"RIGHTS" OFFERS table with columns for Issue Price, Amount, etc.

FT-ACTUARIES SHARE INDICES

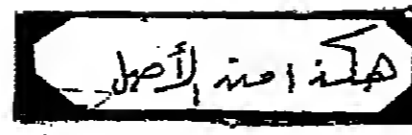
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS table with columns for Index No., Day's Change, etc.

FIXED INTEREST PRICE INDICES table with columns for Index No., Yield, etc.

EUROBONDS advertisement from The Association of International Bond Dealers.

Handwritten signature and additional notes at the bottom of the page.



AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Minster Fund Managers Ltd., MIRA Unit Trust Mgmt. Ltd., and others, including their names, addresses, and contact information.

Table listing insurance and property bonds, including companies like Abbey Life Assurance Co. Ltd., General Insurance Co. Ltd., and others, with their respective details.

INSURANCE AND PROPERTY BONDS

Table listing insurance and property bonds, including companies like Abbey Life Assurance Co. Ltd., General Insurance Co. Ltd., and others, with their respective details.

Table listing offshore and overseas funds, including companies like Tower Unit Trust Mgmt. Ltd., Transatlantic and Gen. Sec. Inv. Co. (UK) Ltd., and others.

OFFSHORE AND OVERSEAS FUNDS

Table listing offshore and overseas funds, including companies like Tower Unit Trust Mgmt. Ltd., Transatlantic and Gen. Sec. Inv. Co. (UK) Ltd., and others.

Table listing offshore and overseas funds, including companies like Tower Unit Trust Mgmt. Ltd., Transatlantic and Gen. Sec. Inv. Co. (UK) Ltd., and others.

NOTES: Information regarding the inclusion of 5% premium, the use of the pound sterling, and other financial details.

**BRIMS**  
CONSTRUCTION WITH CONFIDENCE  
BRIMS & CO. LTD.  
NEWCASTLE UPON TYNE  
TEL. 0632 628833 : TELEX 537784

# FT SHARE INFORMATION SERVICE

## FOREIGN BONDS & RAILS

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## BANKS & HP—Continued

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## CHEMICALS, PLASTICS—Cont.

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## ENGINEERING—Continued

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

### FOOD, GROCERIES—Cont.

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## BRITISH FUNDS

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## AMERICANS

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## BEERS, WINES AND SPIRITS

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## DRAPERY AND STORES

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## INDUSTRIALS (Misc.)

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## HOTELS AND CATERING

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## Five to Fifteen Years

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## Over Fifteen Years

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## BUILDING INDUSTRY, TIMBER AND ROADS

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## ELECTRICAL AND RADIO

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## FOOD, GROCERIES, ETC.

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## INDUSTRIALS (Misc.)

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## Undated

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## CANADIANS

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## BANKS AND HIRE PURCHASE

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## INTERNATIONAL BANK

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## CORPORATION LOANS

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## COMMONWEALTH & AFRICAN LOANS

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## Public Board and Ind.

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## Financial

1979	High	Low	Stock	Price	±	%	Yield	Div.
1979	122	122	Hill Samuel	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5
1979	122	122	Do. Warrant	106	-	5.32	7.5	7.5

## EDITORIAL OFFICES

Manchester: Queen's House, Queen Street.  
Tel: 665133 Tel: 6654 9381.  
Moscow: Kutuzovskiy 14, Apartment 1, Moscow.  
Tel: 7900 Tel: 243 1635.  
New York: 75 Rockefeller Plaza, N.Y. 10019.  
Tel: 685997 Tel: (212) 543 4625.  
Paris: 36 Rue de Semler, 75002.  
Tel: 220044 Tel: 236 57 43.  
Rio de Janeiro: Avenida Princesa Vargas 418-10.  
Tel: 253 4968.  
Rome: Via della Mercede 55.  
Tel: 610032 Tel: 678 3314.  
Stockholm: c/o Svenska Dagbladet, Rindögsvägen 7.  
Tel: 17625 Tel: 50 68 88.  
Tel: 213930 Tel: 662698.  
Tokyo: 8th Floor, Nihon Keizai Shinbun Building, 3-10-1, Marunouchi, Chiyoda-ku.  
Tel: 27104 Tel: 294 2920.  
Washington: 2nd Floor, 1325 E. Street, N.W., Washington D.C. 20002.  
Tel: 443540 Tel: (202) 47 8676.

## EDITORIAL OFFICES

Manchester: Queen's House, Queen Street.  
Tel: 665133 Tel: 6654 9381.  
Moscow: Kutuzovskiy 14, Apartment 1, Moscow.  
Tel: 7900 Tel: 243 1635.  
New York: 75 Rockefeller Plaza, N.Y. 10019.  
Tel: 685997 Tel: (212) 543 4625.  
Paris: 36 Rue de Semler, 75002.  
Tel: 220044 Tel: 236 57 43.  
Rio de Janeiro: Avenida Princesa Vargas 418-10.  
Tel: 253 4968.  
Rome: Via della Mercede 55.  
Tel: 610032 Tel: 678 3314.  
Stockholm: c/o Svenska Dagbladet, Rindögsvägen 7.  
Tel: 17625 Tel: 50 68 88.  
Tel: 213930 Tel: 662698.  
Tokyo: 8th Floor, Nihon Keizai Shinbun Building, 3-10-1, Marunouchi, Chiyoda-ku.  
Tel: 27104 Tel: 294 2920.  
Washington: 2nd Floor, 1325 E. Street, N.W., Washington D.C. 20002.  
Tel: 443540 Tel: (202) 47 8676.

## EDITORIAL OFFICES

Manchester: Queen's House, Queen Street.  
Tel: 665133 Tel: 6654 9381.  
Moscow: Kutuzovskiy 14, Apartment 1, Moscow.  
Tel: 7900 Tel: 243 1635.  
New York: 75 Rockefeller Plaza, N.Y. 10019.  
Tel: 685997 Tel: (212) 543 4625.  
Paris: 36 Rue de Semler, 75002.  
Tel: 220044 Tel: 236 57 43.  
Rio de Janeiro: Avenida Princesa Vargas 418-10.  
Tel: 253 4968.  
Rome: Via della Mercede 55.  
Tel: 610032 Tel: 678 3314.  
Stockholm: c/o Svenska Dagbladet, Rindögsvägen 7.  
Tel: 17625 Tel: 5

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, ICI, and various engineering firms. Columns include stock name, price, and percentage change.

INSURANCE—Continued

Table of insurance stocks including companies like Royal Indemnity, Commercial Union Assurance, and others.

PROPERTY—Continued

Table of property-related stocks including companies like British Land, Anglo-Continental, and others.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British Venture, Anglo-Continental, and others.

FINANCE, LAND—Continued

Table of finance and land-related stocks including companies like Anglo-Continental, British Venture, and others.

NOMURA The Nomura Securities Co., Ltd. Japanese leader in international securities and investment banking.

MINES—Continued

Table of Australian mines including companies like Anglo-Continental, British Venture, and others.

TINS

Table of tin stocks including companies like Anglo-Continental, British Venture, and others.

COPPER

Table of copper stocks including companies like Anglo-Continental, British Venture, and others.

MISCELLANEOUS

Table of miscellaneous stocks including companies like Anglo-Continental, British Venture, and others.

NOTES

Notes section providing additional information and commentary on the market, including details on interest rates and company announcements.

REGIONAL MARKETS

Table of regional market data for various countries and regions.

OPTIONS

Table of options data including call and put options for various stocks.

INSURANCE

Table of insurance stocks including companies like Anglo-Continental, British Venture, and others.

PROPERTY

Table of property-related stocks including companies like Anglo-Continental, British Venture, and others.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks including companies like Anglo-Continental, British Venture, and others.

FINANCE

Table of finance-related stocks including companies like Anglo-Continental, British Venture, and others.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo-Continental, British Venture, and others.

CENTRAL AFRICAN

Table of Central African stocks including companies like Anglo-Continental, British Venture, and others.

Tecalemit to care for it



Vent-Axia

The first name in unit ventilation... look for the name on the product.

Hua revises expansion plans

BY JOHN HOFFMANN IN PEKING

CHAIRMAN HUA GUOFENG, the Chinese leader, admitted last night that China had been imprudent in mapping out its targets for industrial development...

Capital construction would be curtailed, he said, forecasting tight central control on development projects. He called on construction industries to improve the quality of projects, reduce costs and shorten the building cycle...

Chairman Hua gave statistics in support of his claim that China's economy was flourishing. Last year's total grain output, he said, was 304.75m tonnes, a 7.8 per cent increase over 1977...

THE LEX COLUMN

Underwriters hold their breath

Index rose 4.4 to 482.9



This is a tense week for the bankers and brokers who make up the rights issue market. The surge in the rate of calls by companies for new money...

Yesterday saw a successful Anglo-Irish rescue act on behalf of the near £12m rights issue launched by Jefferson Smurfit on May 8. This fell foul not only of the market but also of the Irish postal strike...

Schroders seemed to be facing an even tougher task last night to salvage the £50m Thomas Tilling issue, with the shares down from 165p ahead of the May 22 announcement to 135p against an issue price of 135p...

The issue closed yesterday, and having counted—but not yet published—the results the sponsors have a couple of days in which to try to place the surplus shares. When this happens it is the job of the brokers—in this case Rowe and Pitman—to sound out the sub-underwriters and other potential buyers...

In these tight conditions the underwriters are likely to try to get the discounts widened in their favour when it comes to future rights issues. There has already been some sign of a move in this direction...

Hanson Trust Companies are usually willing to pay out hefty fees to rights issue underwriters but Hanson Trust yesterday provided a rare reminder that there is another, cheaper way...

Saudis may raise oil output by 1m barrels a day

BY ANTHONY McDERMOTT

SAUDI ARABIA may be poised to boost its oil production temporarily from July 1 by 1m barrels a day, Iran's oil production is reported also to have fallen below the levels normally claimed by the National Iranian Oil Company by a similar amount...

barrels a day from its ceiling of 8.5m barrels to meet part of the oil shortage created by the decline in Iran's output. The level of the latest proposed Saudi production rise—almost certainly leaked to the magazine—is twice that recently mentioned by officials, and is clearly intended as a hint to other OPEC members of the policies it will try to pursue at Geneva...

tees, production is running at 2.8m barrels a day, about 1m barrels below the level claimed by NIOC. The reduction reportedly took place two weeks ago, because workers wanted to produce at a lower rate, and because NIOC's management has been unable to persuade these committees to approve the recruitment of foreigners, who are needed to solve technical troubles in the oil fields...

Lloyd's voting practice attacked

BY JOHN MOORE

A COMMITTEE representing Lloyd's insurance brokers has criticised "undemocratic" voting procedures at Lloyd's, and said that informal arrangements for the market's internal arbitration and investigations are "unsatisfactory"...

elections take place with members unaware of them. "Insufficient attention appears to be paid to ensuring that all members are aware of and able to exercise their full democratic rights"...

London port plan to ease cash drain

By Ian Hargreaves, Shipping Correspondent

THE PORT of London Authority and the Government are to consider a new plan to relieve the authority of the financial drain of its loss-making upper docks and at the same time boost docklands redevelopment...



It could form an important plank in the PLA's five-year corporate plan, which is due to be presented to the Government by the end of this month. This plan will repeat the familiar case for fewer jobs in the port and for a capital reconstruction to write-off a large slice of the authority's £100m debts...

marketing staff, would then work on a redevelopment plan, running down the 3,500 jobs in the docks gradually, as new industry and commerce was established. Detailed studies on the cost of the plan have not yet been made, but the upper docks were responsible for most of the £17.6m loss by the PLA in 1978...

Discount warehouse faces equality action

BY PAULINE CLARK, LABOUR STAFF

A CORNISH discount warehouse employer is to become the first target of legal action by the Equal Opportunities Commission because of alleged sex discrimination in advertising since the Sex Discrimination Act came into force in 1975...

ments for staff which appeared between December and April in three West country newspapers. After receiving notification of the intended action, Mr. Robertson said: "It's all totally daft. It's time someone took a stand against this ridiculous idea that women can do all work that men can"...

Post Office to raise \$250m

BY JOHN LLOYD

THE POST OFFICE has turned to the booming New York commercial paper market to raise an expected \$250m (about £125m) over the next few months. This follows an arrangement made earlier this year with a group of international banks for a 10-year standby credit line worth \$250m, to back up a commercial paper issue...

have surpluses—is an unusual one for a UK nationalised industry, although British Gas entered the market late last year. Although the Post Office's sale is being conducted at a time when it is suffering a loss of revenue of around \$500m resulting from a hold-up in telephone billing due to industrial action by computer operators, the corporation stressed that the two were not connected...

The New York market is also believed to have been impressed by the fact that it was one of the few postal authorities in the world which showed a profit on its operations. The dollars raised by the sale will be passed via the Federal Reserve Bank to the Treasury, which will then issue sterling to the Post Office. The corporation estimates it will save between £1 and £2m by borrowing in this way compared with the interest it would have paid on borrowing from the National Loans Fund—the Government fund from which State industries normally borrow...

Arms treaty signed

differences between the two countries—over the Middle East, Africa, South-East Asia and human rights—were narrowed. But U.S. officials said they considered it more important for the longer-term that it had been agreed to hold more frequent bilateral discussions in future. No firm date for another summit has been set but both sides agreed that the next one should take place preferably not in an atmosphere of crisis or merely formally to sign a major agreement...

upgrading of the capabilities of the Soviet aircraft would be tantamount to a violation of the SALT treaty itself. The Backfire issue is certain to be a major element in a two-day Senate debate, and the revelation here of last-minute manoeuvring by the Administration may not strengthen its arguments for SALT with the Congress. But in a clear attempt to capitalise on the achievements of the Vienna summit, Mr. Carter was due to address a joint session of Congress last night shortly after his return to Washington...

Labour Party staff in dispute

BY NICK GARNETT, LABOUR STAFF

THE LABOUR PARTY was confronted with an embarrassing industrial dispute yesterday when its full-time white-collar staff decided to take action over a pay claim. More than 100 workers represented by the Labour Party's staff joint trade union committee will ban overtime and refuse to service the National Executive Committee and other party bodies. They are also planning...

a one-day strike on June 27 when members of the NEC could face picketing. Mr. Nick Sieglar, secretary of the trade union committee, said the staff had been forced to take industrial action because of the "intimidation" of NEC negotiators. "The fact that the Labour Party has consistently refused to pay decent wages to all its full-time staff has undermined staff morale and been to the detriment of the service they are able to provide to the party at large," he said...

ment Mr. Ralph Earle, the chief U.S. SALT negotiator, admitted later that differences still remain over the range of the Backfire, which the Soviet Union contends is not intercontinental. In the documents, the U.S. made it clear that any significant

Weather

UK TODAY MAINLY dry with sunny or bright periods. A little rain in N. Scotland. London, S. E. and Cent. N. England, Midlands, S. Wales, Channel Is. Dry, sunny periods. Max. 24C (75F). N.W. and N.E. England, N. Wales, Isle of Man, Borders, S.W. Scotland. Sunny periods, becoming cloudy. Max. 21C (70F). E. Scotland, Glasgow area. Mainly dry, bright periods. Max. 19C (66F). Rest of Scotland, N. Ireland. Cloudy, some bright intervals. A little rain in places. Max. 17C (63F). Outlook: Mostly dry with sunny periods.

Table with columns for location, day, and temperature. Locations include Alicante, Algiers, Amsterdam, Athens, Bahrain, Barcelona, Beirut, Belfast, Belgrade, Berlin, Biarritz, Birmingham, Blackpool, Bordeaux, Boulogne, Bratislava, Brussels, B. Aires, Cairo, Cape T., Cardiff, Casablanca, Chicago, Cologne, Copenhagen, Corfu, Dublin, Edinburgh, Faro, Florence, Frankfurt, Geneva, Gibraltar, Glasgow, Hamburg, Harbin, Helsinki, Hong Kong, Innsbruck, Istanbul, Jersey, J. Burg., L. Pims., Lisbon.

Advertisement for Crusader Insurance Co. Ltd. featuring a world map and text: 'Who are pleased to announce their new U.K. contracts. Crusader administer a large portfolio of U.K. and overseas group employee benefit schemes using an efficient computerised system keeping administration costs to a low level, thus enabling highly competitive rates to be offered. For full particulars write to: Douglas W. Scott, Manager, Group Sales & Service Department, Crusader Insurance Co. Ltd., Vincula House, Tower Place, London EC3P 3BE.'

Handwritten signature or note at the bottom of the page.